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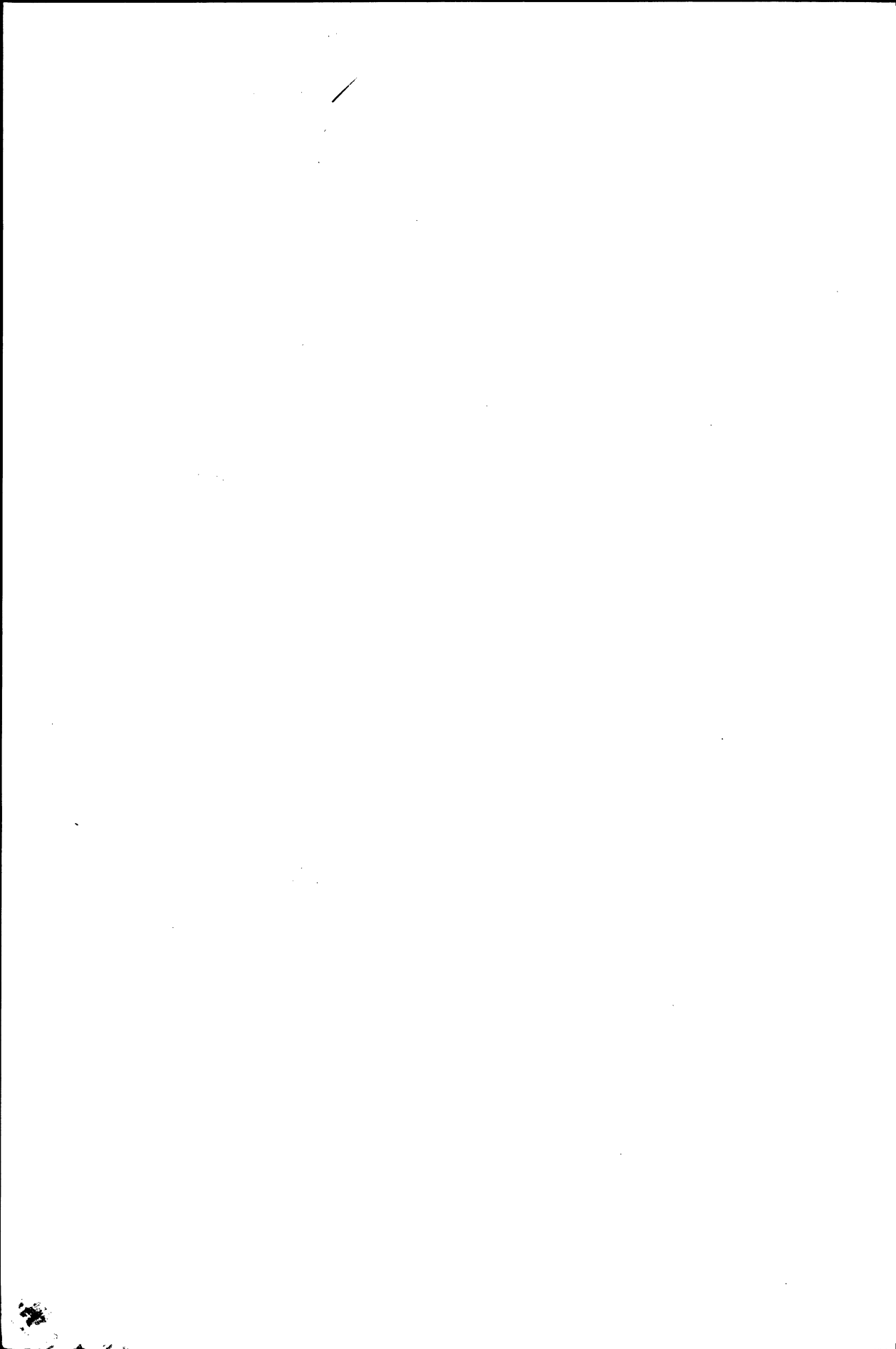


Gerald R.
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1976-77

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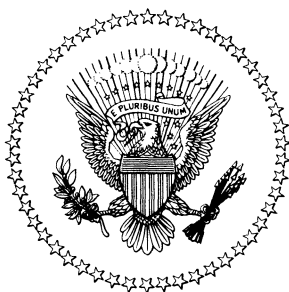
Gerald R. Ford

*Containing the Public Messages, Speeches, and
Statements of the President*

1976-77

(IN THREE BOOKS)

BOOK III—JULY 10, 1976 TO JANUARY 20, 1977



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CABINET

Secretary of State.....	Henry A. Kissinger
Secretary of the Treasury.....	William E. Simon
Secretary of Defense.....	Donald H. Rumsfeld
Attorney General.....	Edward H. Levi
Secretary of the Interior.....	Thomas S. Kleppe
Secretary of Agriculture.....	Earl L. Butz John A. Knebel (November 4)
Secretary of Commerce.....	Rogers C. B. Morton Elliot L. Richardson (February 2)
Secretary of Labor.....	John T. Dunlop W. J. Usery, Jr. (February 10)
Secretary of Health, Education, and Welfare.	David Mathews
Secretary of Housing and Urban Develop- ment.	Carla A. Hills
Secretary of Transportation.....	William T. Coleman, Jr.

*Dates in parentheses indicate date sworn in.

Gerald R. Ford

1976-77

658

Remarks to Members of the U.S. Olympic Team in
Plattsburgh, New York. *July 10, 1976*

THANK YOU very, very much. I wish I could say I earned it.

All of you, because of the competition you have gone through, the challenges that you have met, the training that you have carried on for a good many years, you have earned it, and we are proud of you. And I wish that I could join you up in Montreal, but let me assure you I will be watching. We might even suspend some of the business in the White House.

I have always had a great interest in athletics. It goes back a good many years. I was looking at a book on the way up here—a friend of mine gave it to me—“The [A]History of the Olympics.” And I was thumbing through the various Olympics that were held for a good many years, and the ones that I remember go back to, well, about 1924, 1928. I always had a great ambition that was never fulfilled because I was not good enough.

I remember the names of Eddie Tolan, Jessie Owens, and a good many of the others who set great records in those days. But the competition gets tougher every 4 years, which is the way the world is. And all of you have great opportunities to do better than those who have come before you, and I know you will because you have the right desire and you worked hard. Let me say you have the 100 percent support of the American people.

I might take just a minute—if you look back 4 years or 8 years ago, we in this country, for a variety of reasons, were not unified. We had difficulties within our country. But if you watched any of the activities on the Fourth of July of our Bicentennial Year, you could almost feel—not only in Philadelphia, in Valley Forge, and in New York, but the news media reported all over the country—a real new rebirth of American unity and spirit and determination.

That is a great way for us to enter our third century. That is a century all of you are really going to live in and work in and help to make a better America. And the job that you are going to do up there in Montreal, where you are going to run faster, jump higher, shoot better, swim better, do all the things that you have been training for for a long time—you will have the full and wholehearted

support of 215 million Americans, including your President, who will be darn proud of you. The very best to you.

NOTE: The President spoke at 3:05 p.m. at the New York State University College of Arts and Sciences track field.

As printed above, this item follows the text of the White House press release.

659

Remarks at a Ceremony Honoring Members of the U.S. Olympic Team Prior to Their Departure for Montreal, Canada.

July 10, 1976

Thank you very much, Phil Krumm, my former colleague in the House of Representatives Bob McKuen, Colonel Miller, Reverend St. Pierre, Willie Davenport, members and coaches, trainers, doctors, administrators of the United States Olympic Team, ladies and gentlemen of the Plattsburgh area:

It's really a great privilege and a very high honor to have the opportunity to be here in Plattsburgh and to participate in the ceremony where all of you are taking off for Montreal. And I do wish to thank the coaches and participants who I had the chance and the pleasure of meeting this afternoon.

But let me congratulate all 400 or 500 of you for the accomplishment and the achievement of making the American Olympic Team in 1976. And on behalf of all Americans—215 million of us—good luck, and God bless you.

You have worked hard, you have competed against the very best, and you have earned the right to represent the United States in Montreal in a very few days. And let me say that from every indication I get, we are going to do darn well in Montreal.

As long as I can remember, I have been one that read newspapers, books, magazines, about the American Olympic Teams—never was a good enough athlete to compete or make the Olympic team, but it has meant a lot to me to see the achievements and the accomplishments of the American Olympians over the years.

A few days ago, a good friend of mine sent me a book that is the history of the Olympic games, from the very beginning up through 1972. It is written, or was originally, by a great sportswriter out in California named Bill Henry, who was a very close and dear friend of mine, and his daughter brought it up to date just a few months ago. But this book is filled with famous names. It is filled with individual achievements and team records. Willie Davenport's name is in it for 1968 when he was number one in the 110-meter high hurdles.

It is a book that shows that the United States over the years has done extremely well in the Olympics. But as this book also shows, every 4 years the competition gets tougher and tougher, and the problems more rugged, the individuals tougher to compete against.

But let me say, in 1976 in Montreal, even though the competition is going to be tough and rugged, from competitors of 120-some nations, as I understand it, I am confident that all of these fine young men and women are going to come back with their full share of gold, silver, and bronze medals. And we will be very proud of them. If I could give a little friendly advice: Save enough room in your luggage to bring back that loot. [*Laughter*]

You go, every one of you, to Montreal with the very best wishes of all of the American people. But I think it is significant that as we entered this Bicentennial there was an inspirational day just a few days ago, on the Fourth of July, when we celebrated our 200th anniversary. You could feel it where I went, in Valley Forge or Philadelphia or New York, and as it was reported by the press nationwide, the American people seemed to have a new spirit.

I think we recognize that over the last 10 years we have had our moments of division. We have had some disharmony. We have been pessimistic. But as we went from the second century into the third, all throughout this country, every one of the 50 States, there was a new spirit of harmony, of optimism, a spirit that I think we can, in all honesty, indicate was a rebirth of American patriotism.

And as every one of you go to compete in your respective area of excellence, I am absolutely certain that you will do better because I happen to think that this spirit began to emerge just last winter when our Winter Olympic Team was in Innsbruck.

There were some people who surprised some of our opposition. They did better than they expected. And I can tell you the reports are that more Americans watched the winter Olympics than any time in the history of the United States. Why? Because we believe in you. We believe in our country, and we want you to win, and you are going to win.

We will be back in the States, and you will be up in Canada, but you will have a hometown support by proxy. You are going to run, jump, shoot, ride, swim, box, wrestle, and you are going to have an opportunity to get out there and show not only us on television but the other competitors that this new American spirit really means something. It is the way to kick off our third century in the United States.

But let me add another dimension, a thought that I hope you will carry with

you. You will be competing against the best from many, many lands. It will be a personal thrill, and I think that is something that will stimulate you to an even greater effort.

And I have had the experience of talking to two very good friends of mine when I was in the Congress—Ralph Metcalfe, who finished second in the 1932 100 (meter), finished third in 1932 in the 200 meter, and Bob Mathias, who won the decathlon in 1948 and 1952. And they, on many occasions on the floor of the House, talked about what a thrill it was personally to be a winner. But each and every one of them in their expressions to me said they felt they had a special mission, and I think this is a broader opportunity.

As you represent the United States, you have a unique responsibility to create a better understanding between the people of America and our neighbors around the world. You have a wonderful opportunity, as you compete, to get better acquainted with your opposition. And I can say to you, you have a tremendous responsibility to serve the cause of peace and hold high the lamp of liberty which is represented by the United States of America.

All the wonderful people of Plattsburgh and your fellow Americans know that you will bring to the Olympics the same dignity, the same dedication, the same magic blend of hope and talent, humility and pride, which has characterized American Olympians and made them so successful and so respected over the years.

Good luck, God bless you, and as the Olympic motto suggests, may all of you be swifter, higher, and stronger. The very best from all of us.

NOTE: The President spoke at 3:48 p.m. outside the New York State University College of Arts and Sciences Field House in Plattsburgh, N.Y. In his opening remarks, he referred to Phillip Krumm,

president, and Col. Don Miller, executive director, United States Olympic Committee, Rev. Roland St. Pierre, mayor of Plattsburgh, and Willie Davenport, U.S. Olympic Team track and field coach.

660

Memorandum on the Annual Report on Federal Executive Boards. *July 12, 1976*

[Dated July 9, 1976. Released July 12, 1976]

Memorandum for the Heads of Departments and Agencies

In 1975, Federal Executive Boards again proved their ability to strengthen communication and facilitate coordination within the Federal community and with citizens in the 25 major metropolitan areas they serve. The attached An-

nual Report provides a sampling of some of the many activities undertaken by Federal Executive Boards. Primary areas of emphasis in 1975 were minority business enterprises, energy conservation, assistance for the elderly, productivity improvement, and personnel management.

During the Bicentennial Year of 1976, I am confident that Federal Executive Boards will play a major part in helping restore public confidence in the institution of government. The American people are demanding and properly deserve greater efficiency, responsiveness, and economy in government operations. Federal Executive Boards can assist in reducing the rigidity and complexity of government by promoting cooperation, sharing ideas, and pooling experience and resources.

Please reinforce among your senior officials in the field the need for their re-dedication of commitment to and support of Federal Executive Board activities. Top level involvement is important if Federal Executive Boards are to continue their role in fostering better communication and coordination. Moreover, active participation at all levels is essential if Federal Executive Boards are to assist in improving the effectiveness of the Federal Government in the field.

GERALD R. FORD

NOTE: The report is entitled "Federal Executive Boards, 1975, 14th Annual Report—Executive Office of the President, Office of Management and Budget" (23 pp. plus appendixes).

661

Remarks Upon Signing the Airport and Airway Development Act Amendments of 1976. July 12, 1976

Secretary Coleman, distinguished Members of Congress, and distinguished guests:

It is a great pleasure to participate in this signing ceremony this morning. I am signing into law the Airport and Airway Development Act [Amendments] of 1976, which will provide sufficient funds in the next 4 years to keep America on the move.

The Airport and Airway Development Act of 1976 will make possible the continuing modernization of our airways, airports, and related facilities in communities throughout the 50 States. This legislation will give to the various departments increased flexibility to local authorities in the management and the development of the airport facilities and in starting to solve the airport noise problem. It will make possible thousands of jobs in aviation-related activities.

Significantly, this act will combat inflation because the funding for these airport and airway improvements will come from the users of the airways and the airport facilities—the users of aviation. Moreover, for the first time since 1971, maintenance of the air navigation systems will be funded in part out of the airport trust fund. In a sense, this is a “pay-as-you-fly” program.

Appropriately, the Airport and Airway Development Act of 1976 coincides with the 50th anniversary of scheduled air transportation in the United States. Secretary of Transportation Coleman and Federal Aviation Administrator McLucas, working closely with Members of the House and Senate and with the participation of the entire aviation community, have brought forward a measure which will assure continued U.S. leadership in technology, efficiency, and safety of air transportation.

This farsighted and cooperative effort will assure that our country continues to benefit from the world’s best aviation system. And I congratulate all the parties that had a part in this significant progress in the field of aviation. So, it is with great pleasure that I do sign this bill and again congratulate all who had a part in it.

NOTE: The President spoke at 11:10 a.m. at a ceremony in the East Garden at the White House.

As enacted, the bill (H.R. 9771) is Public Law 94-353 (90 Stat. 871).

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Statement on Signing the Airport and Airway Development Act Amendments of 1976. *July 12, 1976*

I AM signing today a bill, H.R. 9771, which authorizes funds over a 5-year period for the extension of the Airport Development Aid Program and for the continuation of Federal programs pertaining to the operation and improvement of the Nation’s airway system. This bill, although falling short of my recommendations in several respects, will provide the basis for a number of important improvements in the operation of the airport and airway system.

First, the long-term extension of funding authorizations, while more than this administration recommended, is funded from user taxes and will permit us to achieve substantial progress in the development of our Nation’s public airports. In addition to supporting projects which will provide greater efficiency and safety in the operation of aircraft at these airports, the bill will permit the application of Federal assistance to projects which will enhance the ability of airport terminals to provide a smooth flow of traffic.

Second, the bill permits for the first time in nearly 5 years the use of moneys in the Airport and Airway Trust Fund for defraying expenses incurred by the Department of Transportation in maintaining air navigation facilities, although it unwisely makes the amount of funds available for maintenance dependent on the amount of funds obligated for airport development purposes. This provision is most important from the standpoint of equity to the general taxpayer, and I am especially pleased that the Congress agreed to its inclusion in the bill. I continue to believe that the users of the airport and airway system who derive special benefits from the system should contribute a fair share to the payment of system costs.

Third, the bill will permit us to make important progress in our efforts to shift to the State and local level governmental functions which can be carried out by State and local governments more efficiently and with greater sensitivity to the needs and desires of the people they serve. Under the amendments contained in this bill, recipients of grants for airport development will be afforded greater flexibility in managing their affairs and also will have the opportunity to take on greater responsibility with respect to carrying out the purposes of the statute.

H.R. 9771 also contains some undesirable provisions:

—It would shift from the airlines to the Federal Government the cost of inspectional services provided to aircraft arriving in the United States on Sundays and holidays. As long as the Congress continues to mandate that the inspectors be paid at overtime rates for such work, I believe the airlines should continue to pay for the special services they receive.

—It would also unnecessarily increase the Federal share of the cost of projects at general aviation airports.

I am asking the affected agencies to determine whether corrective legislation should be submitted to the Congress on these provisions.

Despite these questionable provisions, this bill is generally consistent with the policy directions of my administration and will help to assure an improved aviation system for all our citizens.

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Remarks at the Annual Convention of the National Exchange Club. July 12, 1976

Thank you very, very much, Jack, Lee Wells, distinguished guests, fellow Exchangeites, ladies and gentlemen:

I'm deeply grateful, Jack, for your very kind introduction. It's really a great thrill and a wonderful honor to have the opportunity of saying a few words at your 58th annual convention here in Washington, D.C. And I congratulate you, Jack, on your year of service as national president of the Exchange Clubs—as you've called it, “a duty to destiny.” Congratulations.

I also congratulate your president-elect, Leaborne Eads, who was chosen, as I understand it, for his motto of the year: “the challenge of achievement.”

A fine example of that challenge is the record of your 1976 National Youth of the Year, David H. Daniel. Obviously, his school, his community, and his parents—who I understand are here tonight—are mighty proud of his accomplishments and achievements. And may I say to you, David, congratulations from me and all of those here tonight.

Jack sort of stole part of my speech—[*laughter*—because I look back a good many years ago when I had the great privilege of going with my father to the Exchange Club father-and-son banquets in Grand Rapids, Michigan. That was the third Exchange Club, as I understand it, in the entire United States. Dad and I used to go, or he used to take me, and I can vividly recall those experiences. They were great then, and I hope you continue them now. And may I say, they are not unconstitutional; they are not illegal; they are pretty wholesome, I think. I learned a lot, and I got a great deal from the opportunities of friendship and service. They brought me a lot closer to my father, and I don't think my mother objected very much, either.

I also enjoyed the opportunities of going to a number of father-and-son banquets with our own sons—Mike, Jack, and Steve—and I thoroughly enjoyed the opportunity of attending a father-and-daughter banquet with our daughter, Susan. And let me assure you, we aren't going to stop them if I have anything to say about it.

Last Sunday and Monday—our great 200th birthday—those were two of the most memorable days in my entire lifetime. I was fortunate. I went to celebrations in five historic places—Valley Forge, Philadelphia, Washington, New

York, and Monticello. I could feel a spirit of renewal, a spirit that took hold across our entire country. That spirit will be remembered.

There was apprehension on the part of some that this Independence Day would fizzle or maybe explode. Some thought it would be an occasion for some hollow self-congratulation, or cheapened by commercialism—a Bicentennial bought or sold. Still others, remembering a past decade of discord, feared the day would demonstrate national divisiveness rather than national unity.

The fears proved groundless—I had a feeling they would from an experience that I had about a year ago at the very first Bicentennial event. I went to the great State of Massachusetts and participated in some of the early Bicentennial experiences. I watched and saw the faces of people who lined the roads from Lexington to Concord. I could see our great celebration would be a success, as it turned out to be.

Americans enjoyed their national birthday party. It renewed our sense of purpose. A great tide of rejoicing washed across the land, removing past discords. Americans felt proud—a pride some thought we had forgotten.

That feeling was summed up in the words of one American who was interviewed as he watched the fireworks at the Washington Monument last Sunday. He said, “It gave me a feeling of how great this country is, how beautiful the people are.”

Americans realized once again what America is. From the Fourth of July weekend, I felt a new optimism, a new era of good feeling in America. And as I watched the television and heard the radio and read the newspapers, not just in the places I visited but everywhere in this country, the same feeling prevailed. The pageantry and the fireworks did not create those feelings, they merely provided the spark for a spirit that was always there waiting to be rekindled. It blazed across the country on the Fourth of July, and every American felt it.

The day has gone, but the spirit remains. While it still burns brightly, while it is still there, let's do something about it. We've got plenty to do.

In our third century, we must increase the freedom and the opportunity for all Americans. We must conquer disease, unlock the secrets of the Earth and the universe, make our people secure in their jobs, on their streets, and in a peaceful world.

Local activities and service programs are one way to focus our national energy on these great challenges.

The National Exchange Clubs have fostered such activities for over 65 years. Your projects are of national importance, and they are selected and carried out by local people sensitive to the special needs of the individual communities.

Neighborhoods and churches, schools and civic groups can keep America as proud and active every day as it was on the last Fourth of July.

You can maintain America's renewed confidence in itself. Your projects will bring Americans together. You can give some real meaning to your motto by making this time of national rebirth an era of unity for service.

Our Government should be a focal point for national pride. It must nurture the energy and the spirit that we saw on the Fourth of July for the good of all. Governmental power must be used wisely, cautiously, constructively. It can only work if every government official, elected or appointed, is a model of personal integrity.

We can all aspire to achieve that goal set by George Washington at the Constitutional Convention when he said, and I quote, "Let us raise a standard to which the wise and honest can repair. The rest is in the hands of God."

In this way, with this new spirit, with this new energy, with this new dedication, with this greater vision, we will sustain not only just the spirit of a single historic weekend, but the spirit of two centuries which will give us the impetus to move to a greater century, so we can celebrate for our Tricentennial an even greater American birthday party.

Thank you very much.

NOTE: The President spoke at 9:49 p.m. in the Sheraton Hall at the Sheraton Park Hotel. In his opening remarks, he referred to Jack A. Pirrie, out-

going national president, and Lee Wells, executive secretary, National Exchange Club.

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Remarks Following a Meeting With Law Enforcement Officials on the Successful Completion of Two Undercover Operations.

July 13, 1976

YOU CAN see I am in good hands with all of these outstanding law enforcement officers. I asked them to come in because I wanted the American people to know that their President fully supported the combined efforts of law enforcement officers, both the Federal as well as local, in trying to protect the lives and property of the American people.

And these two operations which were conducted with the combined efforts of a number of Federal and local agencies is a clear indication of what can be done. I congratulate and compliment the individuals involved and the various departments. They conducted these operations under very difficult circumstances, but they set an example. They were financed with the help and assistance of

the law enforcement assistance funding and agency [Law Enforcement Assistance Administration], and I hope and trust that their example here will be an example for other law enforcement officers around the country.

What we have to do is to give to these outstanding departments and the individuals more tools to work with. I have submitted, as I think they know and you know, additional legislation to Congress to make it more difficult for those who break the law to continue to be free and to carry out their criminal activities.

We have, I think, one objective—to protect the innocent victim from those who break the law. And these individuals who you see here have done two fine jobs and should be a warning to the criminals throughout this country.

I wish to congratulate Chief Cullinane and Nick Stames, from the FBI, and the other Federal agencies that worked with them. If we can get the Congress to move on some of this legislation, they will have better tools to work with as they carry out their responsibilities on behalf of the citizens of the Washington metropolitan area. And law enforcement officers around the country will have better tools to do their job with the protection of their fellow citizens. I want to thank the Chief and Nick and all of those associated with them.

CHIEF CULLINANE. Mr. President, it is very gracious of you to take time from your busy schedule to be with us. So, on behalf of the men and the women in our undercover operations, I would just like to present this small token not only of the esteem that we hold you in but also the appreciation that we have for your support.

THE PRESIDENT. Thank you very much, Chief.

I think it's a remarkable record. They recovered some \$3½ million in property. They were able to arrest or to bring before the court some 300 individuals. And the net result is that they have set an outstanding example of what law enforcement officers can do. But I say again, they need more and better tools to work with, and that's the kind of legislation I hope the Congress will pass.

May I look at this? Oh, say! I am not sure I could qualify with all the physical requirements that these people have, but I do thank you very, very much, Chief. This will be proudly exhibited in the Oval Office.

I express my appreciation to all of you. Thank you very much, Nick.

NOTE: The President spoke at 11:45 a.m. on the North Lawn at the White House after meeting in the Cabinet Room with Maurice J. Cullinane, District of Columbia Police Chief, Nick F. Stames, FBI Special Agent in Charge, and several District of Columbia police officers and Federal agents who

took part in two undercover operations known as "P.F.F., Inc." (Police-FBI Fencing, Incognito) and "G.Y.A." (Got Ya Again).

Chief Cullinane presented the President with an honorary Bicentennial Metropolitan Police badge.

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Remarks to Participants in the 1975–76 American Field Service International Scholarships Program. July 13, 1976

Dr. Rhinesmith, our very welcome and special guests from foreign lands, and American students, ladies and gentlemen:

Let me extend to each and every one of you, on behalf of Mrs. Ford and myself, a very warm welcome here at the White House this afternoon. It is a special privilege for me to see so many happy faces and to welcome so many wonderful people here at the White House in our Nation's Capital.

The American Field Service deserves congratulations for bringing all of you, the representatives of 62 nations, to the United States during the past year to study, to see what life in America is really all about. American Field Service has devoted over 25 years to building a network of international communication and cooperation at a very personal level.

We must remember that many thousands of host families and community volunteers make this program and others like it possible in the United States of America. Their dedicated support springs from the very best traditions of American generosity and international idealism.

You have seen through personal experience how this way of sharing life can promote harmony among people of different traditions and different cultures. The spirit of seeking understanding through personal contact with people of other nations and other cultures deserves the respect and support of all.

It is a work that goes on in many ways through private efforts in ongoing government-supported programs of educational and cultural exchange. In 1959 Dwight D. Eisenhower talked to an earlier group of students visiting our country under the auspices of the American Field Service, and he said, at that time, he felt nothing could improve the program more than to multiply its numbers.

On that July afternoon, President Eisenhower spoke to approximately 1,100 students. Today, your group numbers 2,700 or more students and, more importantly, an equal number of American young people whose homes and family life that each of you have experienced. I am positive that you will agree that the best hope of making the world a better, more peaceful place is to seek even greater exchanges of persons of different backgrounds and different nationalities.

There are many compelling reasons for this program, which brings you to the United States and brings American students to countries around the world.

The exchanges are educational. By living here, you grow to understand us and we learn to understand you. False impressions are corrected. In a very real sense they help to relax international tensions. They are enjoyable for all concerned. The best reason for you being here is the promise that you represent as the future leaders of each of your countries, and I know that you will.

Over the years, while I was in the Congress and while I was Vice President and while I have been President, I have had the great pleasure of visiting many of the countries that you represent. In each of those countries, I have met men and women in positions of high leadership who have experienced American life through the American Field Service program. And I expect you to do the same.

Here at home in the United States, in our Congress, in our statehouses, in the State legislatures, in local government, I met many, many young men and women now serving our country who have lived abroad under the auspices of the American Field Service. The result is, and will continue to be, the development and fostering of an increased awareness of our interdependence.

As we in America enter our third century as a free nation, we are ever cognizant of America's leadership responsibilities in global affairs. We, in the United States, are totally committed to the cause of cooperation on an equal basis between all nations, whatever their stage of development. The United States bears a heavy, heavy responsibility to promote the stability upon which freedom and peace depends. Therefore, we must provide you and young people everywhere the hope of a better future by mastering the great economic and social problems—the social and economic challenges of building a new, equitable, and productive relationship among all nations.

The problems faced by each of our countries have never been more inter-related. We must unite in understanding that our greatest concerns cannot be resolved by hasty actions aimed at short-term solutions. Instead, we have, and we will continue to follow, a sure and steady course aimed at producing and providing long-range answers in dealing with such vital concerns as the economy, the environment, energy, population growth, and arms reduction.

You have visited us here in America as we celebrate our Nation's 200th birthday. You have seen the fireworks, you have listened to the patriotic speeches, you have watched the parades and looked on as we all considered the meaning and the significance of our two centuries of independence.

But, fortunately, you have seen much more than displays and bell ringing. You have seen a more important display—the reaffirmation of the traditional American spirit of unity and solidarity. We have rediscovered that America has

inherited a great, great trust. The founding of our Nation was an act of faith, a promise to Americans and to the entire world.

The commemoration of our Bicentennial proved that people can govern themselves, that they can live in freedom with equal rights, that they can respect the rights of others. A great French philosopher once said, "Once you declare for justice, you have declared an unending revolution." By living among us at the time of America's Bicentennial, you have participated in the reaffirmation of our pride and in our confidence that our unending revolution has just begun. We live in an age where an awareness of mankind's common humanity among and within nations is an absolute necessity.

As you return to your homelands, I know you will carry with you an expression of our hope that the friendship and love that has grown between you and your American hosts will continue to flourish, that we will be bound together by our appreciation of the high values of personal liberty, freedom, and dignity.

Working together, all of us—all 5,000-plus of you and millions and millions of people all over this great globe—by doing what we know is right and working with one another, let us light the way to a new century of peace and freedom for all mankind.

Thank you very much.

NOTE: The President spoke at 3:25 p.m. on the South Grounds at the White House. In his opening remarks, he referred to Dr. Steven Rhinesmith, president of the American Field Service.

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Statement on Signing the Horse Protection Act Amendments of 1976. *July 14, 1976*

I HAVE approved S. 811, which provides amendments to the Horse Protection Act of 1970. This act is intended to ban the clearly inhumane practice of intentionally injuring the limbs and hoofs of horses in order to induce the highstepping gait looked for in certain horse show events.

The amendments contained in S. 811 strengthen the act in some respects. Unfortunately, however, the approach that the Congress continues to take to eradicate this heinous practice fails to comprehend the real problem.

The practice exists, quite simply, because its perpetrators can make a profit in the horse show circuit by short-cutting the careful breeding and patient training techniques which are normally required to produce high quality show prospects. Until the management of public horse shows and sales assumes—

or is forced by law to assume—the responsibility of ensuring that these cruelties are not being practiced upon those horses taking part in their sponsored events, real reform will be assured.

The Department of Agriculture urged the Congress to place the onus on the industry where it belongs, rather than upon Federal regulators. The proposal would have required that the management of every show put in place an inspection system—using independent, qualified inspectors—under penalty of law. The Department could then monitor the industry to ensure that the system operated properly. However, the Congress—in a mistaken belief that the addition of more Federal enforcement officials will solve the problem—has ignored the real problem and simply authorized more money and stiffened penalties.

I continue to be committed to achieving meaningful reform by compelling this industry to police itself properly. To that end I pledge cooperation with the Congress in seeking continued improvements in the law which will place the primary responsibility for enforcement with the industry itself.

NOTE: As enacted, S. 811, approved July 13, 1976, is Public Law 94-360 (90 Stat. 915).

667

Statement on Signing the Department of Defense Appropriation Authorization Act, 1977. July 14, 1976

TODAY I have signed into law legislation authorizing fiscal year 1977 appropriations of \$32.5 billion for procurement and for research and development programs for the Department of Defense. While this authorization provides for many defense activities essential for our national security, the bill still has a number of deficiencies.

It is noteworthy that this is the first defense authorization bill in many years to be passed by the Congress in time to become law before the start of the fiscal year. I commend the Congress for their expeditious action which, by helping us to maintain the continuity of defense management activities, assists us in our efforts to improve defense management practices.

My FY 1977 total budget request for national defense is \$115 billion—as it must be, given the adverse trends which have developed as a result of congressional cuts in U.S. military expenditures. The Congress must cooperate if we are to be able to successfully arrest these trends in order to assure our own security and, in a real sense, peace and stability in the world.

In important respects, however, Congress has not faced up to the challenge.

First, Congress has not approved a number of essential defense programs. Second, Congress has added funds to the FY 1977 budget for programs which are not needed in FY 1977. Finally, Congress has not yet acted upon certain of my legislative proposals which are necessary to permit the Defense Department to restrain manpower cost growth, reduce waste and inefficiency, and to achieve economies. These three areas require remedial action by the Congress.

Programs Not Approved

Shipbuilding. Congress has failed to authorize \$1.7 billion requested for new ship programs that are needed to strengthen our maritime capabilities and assure freedom of the seas. In particular, they have denied funds for the lead ships for two essential production programs—the nuclear strike cruiser and the conventionally-powered *Aegis* destroyer—and for four modern frigates. The FY 1977 program was proposed as the first step of a sustained effort to assure that the United States, along with its allies, can maintain maritime defense, deterrence, and freedom of the seas. I plan to resubmit budget requests for FY 1977 to cover these essential shipbuilding programs.

Other Programs. Congress has also failed to authorize nearly \$900 million requested for other defense procurement and research and development programs. As with the shipbuilding program, I will resubmit the requests needed to meet our minimum national security requirements.

Programs Not Needed in FY 1977

At the same time that the Congress disapproved several programs which are vital for our national security, they added over \$1 billion to the original budget request for items for which I did not request funds in FY 1977. For example, Congress added:

- A fourth attack submarine (357 million) for which funds cannot be used in FY 1977 owing to shipyard capacity limitations.
- Conversion of the cruiser *Long Beach* (\$371 million) which can be readily postponed.
- Six Navy A-6E attack aircraft (\$66 million), which are not a high priority, particularly at the uneconomical production rate of six per year proposed by the Congress.
- Repair and modernization of the cruiser *Belknap* (\$213 million) damaged in a collision, for which funds should have been authorized prior to FY 1977.

I propose that Congress delete the funds for these programs in FY 1977, and authorize funds for repair of the *Belknap* in the current transition quarter. If the Congress does not act favorably on this request, then funds have to be

added on top of the FY 1977 defense budget in order to avoid forcing out essential defense activities.

Defense Management Economies

Finally, Congress has not enacted certain legislative proposals necessary to permit the Department of Defense to restrain manpower cost growth and to achieve other essential economies.

As estimated last January, the potential savings in defense made possible by my proposals total over \$3 billion in FY 1977 and \$23 billion over the 5-year period FY 1977–1981. About half of these savings can be achieved through administrative action by the President and are being implemented. The remaining initiatives, however, require action by the Congress.

When submitting the budget request last January, I explained that if the Congress did not pass the needed legislation it would be necessary to increase the budget request later in the year. I am pleased that some of the manpower initiatives falling within the jurisdiction of the two Armed Services Committees—which produced this authorization bill—were well received. The Post Office and Civil Service Committees, however, have been reluctant to act on the critical legislation needed to save over \$400 million in FY 1977 and over \$6 billion over the 5-year period FY 1977–1981. Specific proposals within their jurisdiction include: (1) reform of the Wage Board System which, through its current system for calculating pay raises, now overpays blue collar civilian employees; (2) elimination of the excessive 1-percent kicker in retired pay adjustments for civilians; and (3) elimination of dual compensation for reservists who are also Federal employees.

Furthermore, the Armed Services Committees have yet to enact legislation permitting the sale in FY 1977 of nearly \$750 million worth of commodities no longer needed in the strategic stockpile. The receipts from these sales would be an offset in the national defense budget, and without them the budget ceiling for defense expenditures must be increased accordingly.

There has been a lot of talk about cutting waste in defense spending. Without action by the Congress these economies cannot be achieved. Here is the opportunity to act.

These remaining actions to provide for greater efficiencies in the defense budget should be approved. Because Congress apparently is indifferent to them, however, I have decided reluctantly to forward budget requests to cover the needed amounts. Failure by Congress either to enact legislation permitting the

economy measures or to provide the additional funds necessary would mean a severely unbalanced defense program, which would be unacceptable.

I am determined that the U.S. national security be fully adequate. It is up to the Congress to act promptly to provide the necessary funds.

NOTE: As enacted, the bill (H.R. 12438), approved July 14, 1976, is Public Law 94-361 (90 Stat. 923).

668

Remarks of Welcome to Chancellor Helmut Schmidt of the Federal Republic of Germany. July 15, 1976

Mr. Chancellor, Mrs. Schmidt, ladies and gentlemen:

I am delighted to welcome back to Washington a very steadfast ally, distinguished statesman, and an esteemed personal friend. Mr. Chancellor, the Federal Republic of Germany honors us through your presence in Washington as we celebrate our 200th anniversary of our independence.

Throughout the United States the Bicentennial celebrations of 1976 have rekindled our traditional optimism, strengthened our national unity and our pride as a people, and generated a new spirit of confidence and inspiration as we look to the challenges of America's third century.

Mr. Chancellor, as the American adventure continues to unfold for us, we are ever more mindful that we live in an interdependent world. Accordingly, we attach the greatest importance to our international responsibilities. The United States takes immense satisfaction in having in the Federal Republic of Germany a true friend and ally who shares our deep commitment to liberty, democracy, and human freedom.

Just 30 years ago, the world had witnessed the development in Germany of a democratic state which stands as a model of stability, social justice, and economic well-being. Americans admire the achievements of the Federal Republic and the vital role that you play within the Atlantic Alliance.

The close ties between our countries have this year been dramatically reaffirmed. On behalf of the American people, let me express to you, Mr. Chancellor, our heartfelt appreciation for the Federal Republic's generous participation in our Bicentennial anniversary. We are especially honored that over 4,000 events devoted to America's Bicentennial are being held in the Federal Republic this year.

The Federal Republic has given exceptional Bicentennial gifts to several American institutions. Among them is your establishment of the Albert Einstein Spacearium of the Smithsonian's Air and Space Museum, which you will

inaugurate this afternoon. This new institution, dedicated to a great scientist, scholar, and humanist whose vision transcended national boundaries, is, indeed, a fitting symbol of humanity's progress.

Mr. Chancellor, your arrival today marks our eighth meeting over the past 2 years, underscoring the continuity of our consultations on both sides of the Atlantic. Since your first visit as Chancellor in 1974, the countries of the West have been working more closely than ever between ourselves.

At the NATO summit in Brussels, at the Helsinki summit last August, and in our conferences at Rambouillet and Puerto Rico, we have demonstrated new unity among the industrialized democracies, a new determination to achieve the objectives of peace and prosperity for all our peoples, and a new confidence that we will achieve these objectives. The progress over the past 2 years clearly indicates that we will succeed.

Mr. Chancellor, I look forward with great anticipation to our discussions. I bid a very hearty welcome to you, Mr. Chancellor, as well as to Mrs. Schmidt and to all the members of the German party.

NOTE: The President spoke at 10:40 a.m. on the South Lawn at the White House, where Chancellor Helmut Schmidt was given a formal welcome with full military honors. Chancellor Schmidt responded as follows:

Mr. President, Mrs. Ford, ladies and gentlemen:

I thank you, Mr. President, for your kind words of welcome, which indeed have moved me deeply. I do attach special importance to this visit to the United States of America which, as you have reminded me, is my third as head of the Government of the Federal Republic of Germany.

The Bicentennial anniversary of your great country, Mr. President, for us is a date of eminent significance. It is a date of eminent significance to all free and democratic countries in the world. For the citizens of the Federal Republic of Germany, it is a welcome occasion to reflect on the fundamental democratic values for which both our countries stand, as well as the close bonds of friendship that have developed harmoniously in the 27 years since the birth of the Federal Republic of Germany.

The German people do not forget the spiritual and material contribution of the United States to the development of the Federal Republic of Germany and, hence, to what it does represent today. But our recollection also embraces the participation of millions of immigrants of German stock in the fortunes of the United States in the course of its 200-year history, a fact which we Germans are commemorating this year with a large variety, as you have mentioned, sir, of functions and festivities.

During our stay here we shall, of course, not be concerned with festivities only. Our talks will be governed by a number of problems facing both our countries—other countries as well—problems which can only be solved by joint effort.

The community of nations is still confronted with unsolved political problems which cause us concern—complex problems affecting the world economy, problems affecting the future of all of us which demand our full attention, our entire energies, and the firm will of all concerned to co-operate with each other. Your initiative, Mr. President, for talks in Puerto Rico was a valuable step in this direction, with valuable results.

In your address you have rightly pointed out the importance of the Atlantic Alliance, which has increased still more in the light of these problems. Along with European unification, the alliance is the bedrock of our foreign policy. We are resolved to continue making our contribution as before and not to lose sight of the common aims.

I can say without exaggeration, sir, that our bilateral relations could not be better. Our proven partnership is based on firm friendship. My country has deep confidence—and this also goes for my people—deep confidence in the United States of America.

Mr. President, my fellow countrymen back home in Germany and also this distinguished delegation of ours and myself, we wish your great Nation happiness and success on its way into its third century.

Thank you.

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**Toasts of the President and Chancellor Helmut Schmidt
of the Federal Republic of Germany. *July 15, 1976***

CHANCELLOR and Mrs. Schmidt, Mrs. Ford and I are deeply honored to have you and your party with us this evening. As you well know, your visit to America during our Bicentennial reminds all of us of the strong and historic bonds linking our two countries.

General Von Steuben stood with George Washington at Valley Forge, and that is one of the great stories of our Revolutionary history. German-American statesman Carl Schurz served as a member of President Lincoln's Cabinet and contributed significantly to those decisions. And millions of talented and industrial Americans of German origin have contributed immeasurably to the growth and the achievement of our Nation.

Advocates of democracy in both countries have traditionally influenced each other. As we celebrate our German-American friendship tonight, we can take pride in the outstanding foresight and cooperation of European and North American statesmen over the past quarter century.

In the next quarter century, our two countries will face new challenges. As reflected in our discussions and talks today, we look forward to building a beneficial relationship with the developing nations of the world. We must coordinate our efforts on economic, commodity, and developmental issues. The cooperation of the industrial democracies of Europe, Japan, and North America is crucial to any lasting solution to these problems. With our extensive resources and skilled populations, we possess an unprecedented ability to provide leadership, to contribute economic stability, and to foster progress in the world community.

Our recent summit meetings are concrete evidence of our determination, as well as our ability, to work together to regain our prosperity and to manage the transition to a sustained economic expansion.

Mr. Chancellor, an essential part of our common strength is our determination to defend what we have achieved and our commitment to the collective defense of NATO under the North Atlantic Treaty Organization. While in the Federal Republic last summer, as you know, I visited units of the German and American Armed Forces deployed for our collective security. They were excellent units—proud, well-trained. Through their contribution, they make our collective security a reality.

Now, as then, I commend the Federal Republic for doing its full share in the Atlantic Alliance. Now, as then, I reaffirm the commitment of the United States of America to the Atlantic Alliance.

America's basic policies toward Western Europe have been consistently reaffirmed by every administration for the past 25 years. They enjoy strong bipartisan support in the Congress, both in the House as well as in the Senate. Steadfast support for NATO and cooperation with all of the members of the Atlantic community are a fundamental part of the United States foreign policy. Cooperation, friendship between the United States and the Federal Republic are extremely central to that policy.

Mr. Chancellor, our peoples will remain true to the ideals of human rights, of liberty and law, of enlightened cooperation among nations. We will help to provide to the maximum of our capability a better way of life for all mankind.

In this spirit, Mr. Chancellor, I raise my glass to Chancellor Schmidt and to German-American friendship.

To the Chancellor. To our friendship.

NOTE: The President spoke at 10:45 p.m. in the Rose Garden at the White House. Chancellor Schmidt responded as follows:

Mr. President, Mrs. Ford, ladies and gentlemen:

I wish to thank you sincerely, Mr. President, also on behalf of Mrs. Schmidt and the distinguished German guests of my delegation, for the kind words of welcome with which you have greeted us and for what you just have said.

This is the third time in the past 2 years that I have come to the United States for talks with you, Mr. President, and I am not counting the meetings in other places. You, yourself, have made several trips to Europe, one of which was an official visit to the Federal Republic of Germany in July 1975, and I mention this because these frequent visits are a manifestation to the outside world of our mutual bonds and the closeness of our relations.

I don't think I am exaggerating when I say that at no time during the past 30 years have the relations between our two countries been closer and has been cooperation between the two governments more trustful and direct than today. Not only are there no bilateral problems of any substance whatsoever between us, but the shadows of an unfortunate debacle of the more recent past are fading away, and thus give us a clearer view of the common tasks and responsibilities of today and tomorrow.

I want tonight to express our thanks to you, Mr. President, and to the American Nation as a whole. The United States not only helped us Ger-

mans preserve our physical existence after the Second World War—which had been unleashed by a system born of delusion and blindness and devoid of respect for the dignity of man—but millions of Americans, in an unobtrusive and undramatic manner, lent a helping hand to a defeated and destroyed and divided country.

The United States helped us Germans to make a fresh start in freedom and democracy and paved the way for our return to the family of nations. And it also—and here I am thinking of the Berlin airlift—staunchly defended the cause of freedom when others were trying to undermine it.

The contributions which my country now renders to the Bicentennial birthday of the United States cannot, by any stretch of the imagination, be regarded as an equivalent to what your country, Mr. President, has done for us. Of course, history does not settle accounts down to the last cent, but it does clearly demonstrate what we in the Federal Republic of Germany feel today toward America when I say that we bring with us friendship and that America can trust that friendship and can build on it.

We, in the Federal Republic of Germany, live today in a state based on principles similar to those which in 1776 were embodied in this country's Constitution. With regards to human rights, the fathers of our basic law, our constitution, looked to the Bill of Rights. They created a state with a strong executive, plus a strong parliamentary control, a federal structure with a vigilant supreme court and a free local government.

It is only after a long and hard struggle and after unspeakable errors that we have attained the aim of a state resting on these principles. This makes us resolved never again to gamble away freedom and democracy, but to defend them with all our might, as a way of life worthy of man. And, I add, we want to do this together with you Americans.

Freedom and democracy and solidarity are exposed to many threats in the world of today. Against the threats from outside, the North Atlantic Alliance has, in spite of difficulties, proved to be the most effective factor of stability in this century. We, in Germany, on the seam between East and West, feel every day anew that this alliance is indispensable and that its strength must be maintained in the interests of our common security and of the equilibrium of power throughout the world.

We thank you, Mr. President, for America's willingness to ensure an adequate presence of troops in Europe as a central element of the transatlantic link. However, defense preparedness alone is not enough to assure lasting peace. As we see it, there is no alternative to the policy of relaxing tensions that we have developed together. It must remain our endeavor, from a position of firmness and resolve, to extend this policy to new fields of East-West relations. Our chances of success are good.

For the other side, too, there is a need for relax-

ation of tensions to ease its military burden and to overcome its economic problems. Strength, I think, is not measured by tanks and aircraft alone. Strength—inner strength—is also a function of economic stability, and strength is a function of social justice. As for that, we make continuous efforts to ensure the inner stability of our countries and of our social systems.

It is the spiritual and moral foundations that have made America a great country and which, ultimately, also carry our alliance. Only if freedom and human dignity are made livable elements of everyday life, only if constitutional law is made a social reality can we be assured that the citizens will identify themselves with their state, which is the prerequisite to our stability.

A great German religious reformer, Martin Luther, once said, "You can preach anything you want, but never preach longer than 40 minutes." It looks as if I have managed to keep below 40 minutes, as you did, Mr. President, tonight. But in concluding, please let me add we are really glad to be here. America has our respect, has our friendship. America has our gratitude and our good wishes.

May I ask my fellow countrymen to raise their glasses to the health of the President of the United States and to a future and happiness for the American Nation.

To the American Nation, sir.

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Remarks at a Meeting With American Indian Leaders.

July 16, 1976

SECRETARY KLEPPE, let me welcome each and every one of you to the White House this afternoon. I am extremely happy to have the opportunity to meet with you individually as well as collectively, and I am very proud to have the distinguished leaders and the elected representatives of America's Indian tribes here in the East Room of the White House.

I looked over your schedule and I hope from the distinguished speakers that spoke with you that you have had an informative briefing session, not only with Secretary Kleppe but the others—those who were responsible for some of the Government Indian programs. I think it is vitally important that you tell us what your problems are, what your needs are, and then we can be fully informed as to the right policies and the right programs.

Let me take just a few minutes to talk with you on a personal basis, to let

you know of my personal concern for the needs of Indians and Native Americans. The Federal Government has a very unique relationship with you and your people. It is a relationship of a legal trust and a high moral responsibility. That relationship is rooted deep in history, but it is fed today by our concern that the Indian people should enjoy the same opportunities as other Americans, while maintaining the culture and the traditions that you rightly prize as your heritage.

That heritage is an important part of the American culture that we are celebrating in this great country in our Bicentennial Year. Your contribution has been both material and spiritual. Your ancestors introduced settlers not only to new foods and new plants but to Indian ways of life and Indian values which they absorbed. This is a year for all of us to realize what a great debt we individually and collectively owe to the American Indians.

Today you are concerned about such serious problems as poverty, unemployment, crime, poor health, and unsuitable housing on Indian reservations. I share your concern. I am hopeful about the future and about what we can achieve by continuing to work together.

The 1970's have brought a new era in Indian affairs. In the last century, Federal policy has vacillated between paternalism and the threat of terminating Federal responsibility. I am opposed to both extremes. I believe in maintaining a stable policy so that Indians and Indian leaders can plan and work confidently for the future.

We can build on that foundation to improve the opportunities available to American Indians and, at the same time, make it possible for you to live as you choose within your tribal structure and in brotherhood with your fellow citizens.

We have already begun to build. My administration is supporting the concept of allowing Indian tribes to determine whether they and their members, in addition to being under tribal jurisdiction, should be under State or Federal civil and criminal jurisdiction. I have directed the Departments of Justice and Interior to draft legislation which would accomplish this goal efficiently, effectively, and within adequate guidelines. They have solicited the views of the Indian community in preparing their recommendations, which I will soon send to the Congress.

I am committed to furthering the self-determination of Indian communities but without terminating the special relationship between the Federal Government and the Indian people. I am strongly opposed to termination. Self-determination means that you can decide the nature of your tribe's relationship

with the Federal Government within the framework of the Self-Determination Act, which I signed in January of 1975.

Indian tribes, if they desire, now have the opportunity to administer Federal programs for themselves. We can then work together as partners. On your part, this requires initiative and responsibility as you define your tribal goals and determine how you want to use the Federal resources. On the Federal Government's part, self-determination for Indian tribes requires that Federal programs must be flexible enough to deal with the different needs and desires of individual tribes.

In the past, our flexibility has been limited by the lack of effective coordination among departments and agencies offering a wide variety of programs and services to the Indian people. Programs serving both reservation and non-reservation Indians are spread across half a dozen different Cabinet departments involving agencies ranging from the Economic Development Administration to the Federal Aviation Administration.

As many of you know, this is Ted Marrs' last day on the White House staff. Ted's service as White House Liaison for Indian Affairs has been invaluable to me as President and to the Cabinet officers and, I am confident, to the Indian community. With his departure, I will announce shortly the name of a person who will assume Ted Marrs' duties in the Office of Public Liaison in the area of Indian affairs. This appointee will be an individual with responsibility to work with the Cabinet officers, with the Office of Management and Budget, with the Domestic Council, and with my legal office to encourage the improved coordination of the various Federal agencies and programs that currently serve the Indian population.

As an additional step in this direction, I am also sending a memorandum to the heads of all Cabinet departments with Indian responsibilities, directing them to give priority attention to the coordination of Indian programs. These two actions will help to ensure that \$1½ billion spent annually on Indian programs and services will be spent efficiently, with cooperation, and without duplication.

An important task we can help you with is the challenge of economic development of your lands. I congratulate you on the initiative that you have shown. I pledge encouragement. I pledge help in your efforts to create long-term economic development.

Many Indian reservations contain valuable natural resources. There must be the proper treatment of these resources with respect for nature, which is a traditional Indian value. My Attorney General has established an Indian re-

sources section whose sole responsibility is litigation on behalf of Indian tribes to protect your natural resources and your jurisdictional rights.

Indian leaders and the Indian people have gained an increasing skill in managing these resources so they benefit your tribes and our Nation as a whole. I wholeheartedly and unequivocally pledge our cooperation in working with you to improve the quality of Indian life by providing soundly managed programs and a stable policy.

We can make the rest of the 1970's decisive years in the lives of the Indian people. Together, we can write a new chapter in the history of this land that we all serve and this land that we all share.

I thank you very much.

NOTE: The President spoke at 3:15 p.m. in the East Room at the White House. In his opening remarks, he referred to Secretary of the Interior Thomas S. Kleppe.

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**Toasts of the President and Chancellor Helmut Schmidt
of the Federal Republic of Germany at a Reception
Honoring the President. July 16, 1976**

Thank you very, very much, Mr. Chancellor, Mrs. Schmidt, Captain von Stackelberg, distinguished guests:

In the atmosphere of the outstanding Baltimore Harbor, the atmosphere of Fort McHenry, and the wonderful ship on which we are enjoying ourselves this evening, I thank you for your kind and gracious remarks. And I express to you, Mr. Chancellor, and to Mrs. Schmidt the very best wishes of Mrs. Ford and myself and all 215 million Americans.

About a year ago, I had the privilege of making some comments over at Fort McHenry, which is a very integral part now, but even more importantly, a very vital part of the Port of Baltimore in the difficulties we had with Great Britain back in the War of 1812. And looking at Fort McHenry today, one can't help but get the feeling that it represents the kind of spirit which was so prominent during our Bicentennial experience over the Fourth of July, when there seemed to be an upsurge, a tremendous movement among the American people to have a reaffirmation of our true patriotic feeling in this country.

And I wish to thank you, Mr. Chancellor, for the generous gift and the thoughtfulness of you and the people from the Federal Republic on behalf of our 200th anniversary.

May I say to Captain von Stackelberg that you deserve congratulations for winning the contest between Bermuda and Newport. Mrs. Ford and I had the opportunity to view by helicopter and, to some extent, from the deck of the *Forrestal*, the Operation Sail and the tall ships.

As we looked from the air, particularly, we had the feeling that the many ships representing many countries gave us the feeling that if you, in a good naval exercise, could operate in that somewhat limited area without incident and with success it ought to be an inspiration for those of us in government to do the same as we try to meet the problems, both at home as well as throughout the globe.

So, I congratulate you on winning, but I also congratulate you, representing all of the tall ships that participated in Operation Sail in New York Harbor.

Let me conclude by simply saying to you, Mr. Chancellor, it has been my privilege and pleasure to meet with you on a bilateral basis three times, and it has been an equally fine experience for us to be together in multilateral experiences eight times.

I can say without hesitation or qualification, the personal relationship, the relationship on a bilateral basis between your country and mine, couldn't be better. And I thank you personally, and I thank you on behalf of all Americans for the close alliance between your country and ours—a friendship, a rapport, and a dedication which does more for freedom, does more for the good things in this globe, than any relationship that I know.

May I say to the captain and to his crew and to your country, I hope and trust that you will have fair winds and a flowing sea.

NOTE: The President spoke at approximately 8:05 p.m. in response to Chancellor Schmidt's welcoming remarks on board the *Gorch Fock*, which was anchored in the Baltimore Harbor, Baltimore, Md. In his opening remarks, he referred to Hans von Stackelberg, captain of the *Gorch Fock*. Chancellor Schmidt spoke as follows:

Mr. President, Mrs. Ford, ladies and gentlemen:

I am delighted to welcome you here this evening aboard the *Gorch Fock*. We feel highly honored by the fact that you, Mr. President, and Mrs. Ford have accepted my invitation, thus underlining the special character of this ship's presence in Baltimore as well as the significance of our personal meeting to mark the Bicentennial.

Let me please answer a question which is always being asked about this ship. *Gorch Fock*, whose proper name was Johann Kinau, died on 31 May 1916 on board the cruiser *Wiesbaden* in the Battle of Jutland during the First World War. He is not so well-known here in America as in my native

city of Hamburg, where he recounted heartwarming stories of the life at sea.

The title of his most successful book is "Seafaring Is Necessary." This motto, under which seaports like Hamburg and Baltimore have become great, may today in the age of space travel and intercontinental missiles appear to have lost some of its significance. But one thing is certain: Navigation was necessary for the discovery of America, and it has always featured prominently in the 200-year history of the United States.

Over the centuries, navigation was the only means of maintaining the links between the New World and the old continent. That is why on the occasion of the Bicentennial I do find it appropriate to mark the bond between Germany and the United States with a visit to this sailing ship.

Even today, in the age of flying machines, we cannot imagine the close economic cooperation we all desire without efficient maritime communications. The North Atlantic is the most important route

for trade between America and Europe in both directions. This world trading route, like others such as the old route around the Cape of Good Hope, is at the same time of eminent strategic importance. The security of the democratic countries of Europe, which are linked in friendship with America, depends very much on these sea routes being safeguarded. And this calls for the maintenance of an adequate maritime presence.

To this latter we Germans are making our contribution. With our Federal Navy and the men of this training ship who are preparing for their future responsibilities, we are helping to fortify NATO's northern flank.

This training ship of the Federal Navy did take part in the Operation Sail parade in New York as part of our contribution to the festivities marking the Bicentennial of the United States.

The fighting yet sporting spirit which led the captain and his crew to victory is admired just as

much in Germany as it is here. To all of you, many thanks for that.

When I heard you were to moor in Baltimore, it was the obvious thing for me, coming as I do from Hamburg, to invite my American guests here. May the fact that we meet today aboard this ship make us conscious of the fact that Americans and Germans are in the same boat. [*Laughter*]

Ladies and gentlemen, like the master of a ship, also the political leader has the task of guiding the ship entrusted to him safely through often stormy waters. At certain intervals he is faced with the question of whether he will stay at the helm. Usually at such times strong crosswinds are blowing. But it is the task of the political leader, as of the seamen, to cope with all the winds—both must even love storms a little if they like their profession.

On this note, I wish us all, and I personally wish you, Mr. President, at all times *bon voyage*.

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Remarks at the Connecticut State Republican Convention in Hartford. July 16, 1976

Thank you very, very much, Fred. Senator Lowell Weicker, Congressman Ron Sarasin, Congressman Stu McKinney, Governor John Lodge, distinguished party leaders, delegates, alternates and guests and Pearl:

Pearl, I understand you gave quite a speech last night. Pearl is our American ambassador of love. You will be a tough act to follow. But it's great to have a person who portrays the finest image of America around the world, and, Pearl, I thank you not only for what you have done but what you are going to do.

It's a very high honor and a great personal privilege to speak to the people of Connecticut and to have an opportunity of addressing this great Republican convention in the State of Connecticut. It has been wonderful to be here all morning and to see so many of my old friends.

Quite a few years ago I had the privilege of living for approximately 6 years in the State of Connecticut, where I worked and learned, and as a result I have tremendous admiration and affection for the people of Connecticut. And I thank you for this very, very warm welcome.

The long series of primaries and State conventions come to a conclusion today, here in Connecticut and across the continent to Utah. This healthy and vigorous competition has taught us much about the mood of the American people in 1976.

Here in Connecticut, as in all 50 States, there is a growing feeling of confidence in the future. The American people feel good about themselves and about their country. The Bicentennial celebration reached its climax 2 weeks ago and revealed a spirit of harmony, good will and optimism about America which had been eclipsed during the turmoil of the last decade and a half.

It comes as no surprise to me for all our past troubles we have emerged as a stronger and wiser people. The American people, the descendents of the hardiest stock of many, many nations, have a deep reservoir of strength which has served the Nation well for the past 200 years and will serve us well in the future as we move forward for the betterment of our country and for mankind as a whole.

That powerful American spirit brought us through the worst economic crisis America has faced in 40 years. Two years ago inflation was running at a rate of more than 12 percent. Thousands of men and women were being laid off. A climate of fear threatened to engulf our people. What has happened since August of 1974?

Inflation has been cut in half. Since the bottom of the recession last year, 3,400,000 of our fellow Americans have found new jobs or gotten their old jobs back, and more people are being added to payrolls each and every day. More people have been on the job in America in 1976 than ever in the history of this great country. We have broken the back of the recession. Everything that is supposed to be going up is going up, and everything that should be going down is going down.

We are in the full surge of a strong recovery. We look with confidence to an era of enduring prosperity without the cruel tax of runaway inflation. That's a good record. I am proud of it, but there is more good news.

Two years ago America was mired in what seemed like an endless war in Southeast Asia. After a decade in which the Congress had consistently short-changed America's defenses, the future of our military strength was in danger. In August of 1974, America's will to respond to international challenges was being called into question by allies and adversaries alike. What has happened since August of 1974?

Today, America is at peace. There are no American boys fighting anywhere on the face of the Earth, and I will keep it that way.

I have proposed the two largest defense budgets in history, reversing the trend of the last decade in order to ensure that our military capability commands the respect of every nation. A strong military capability is the best insurance for peace, and we are going to keep that Defense Department ready, able, and

effective in order to maintain the peace in the future. This is 2 years of progress despite a Democratic Congress that fought us every step of the way.

Two years ago the people's confidence in their Government, especially in the White House, had been shattered. What has happened since August of 1974?

The Ford administration has been open, candid, forthright. In my administration, ability is not enough; experience is not enough; dedication is not enough. In all that we do, in everything we undertake, I require integrity, decency, and honesty. Private morality and public service can and must go hand in hand.

In the past 2 years we have passed from war to peace, from recession to recovery, from tragedy to trust, from fear to faith in America. This is performance, not promise. This is a record that will be supported by the American people—Democrats, Independents, and Republicans. It will lead us to victory in 1976.

What about the future? What challenges will be demand of ourselves as we enter the third century of this great American adventure?

First of all, we must create a better balance in our society. We must introduce a new balance in the relationship between the individual and the government, a balance that favors a greater individual freedom and self-reliance. We can achieve this better balance by my tax proposals in several areas that will create greater equity and fairness in our Internal Revenue Code. For example, we must increase the personal exemption from \$750 to \$1,000 per person. We must increase the estate tax exemption from \$60,000 to \$150,000. Our middle-income taxpayers need a better break. They have been shortchanged in the past.

We must strike a new balance in our system of federalism, a balance that favors greater responsibility and freedom of action for the leaders of our State and local units of government. We must introduce a new balance between spending on domestic programs and spending on defense, a balance that ensures we will fully meet our obligations and our compassion for the needy while also protecting our security in a world hostile to freedom.

In all that we do, we must be honest with the American people, promising them no more than we can deliver and delivering all that we promise. Above all, we must face the future together as a party and as a people. It is as true today as it was in Lincoln's day that a house divided against itself cannot stand. For our party, that means joining ranks in a common struggle.

The Republican Party this year has demonstrated throughout America the vigor, vitality, and competitive spirit on which a dynamic political organization thrives. Now we must resolve to stop fighting each other and start helping each other. We must resolve to strengthen our party with November victories at every

level—from the courthouse, to the statehouse, to the Congress, and to the White House. We must center our attack not on fellow Republicans, but on the failures of the Democratic Congress, on the Democratic platform, and a Democratic ticket which tries to be all things to all people.

For our country, the new unity we have found must be channeled into commonsense action for the common good, but the common good in this country must always be reflected in the well-being of the individual. Every American must have the chance to reach his or her full potential, unfettered by excessive bureaucratic regulation, by the injustices of discrimination, or by the conforming pressures from the giant institutions in our society.

Americans are ready once more for an era of good feeling, not in the blind belief that all our problems are solved, but in the certain conviction that we can solve these problems together.

We can ensure that older Americans will have nothing to fear from the ravages of runaway inflation, from the flaws in the social security system, from the threat of crime, or from the costly burdens of catastrophic illness.

We can ensure that the American farmer will continue to produce record crops of food and fiber and get a fair price in a free worldwide market and ensure at the same time that the American consumer will have ample supplies and stable prices.

We can ensure that every working man and woman in America who wants a job can find a job—not a Humphrey-Hawkins dead-end job, but a well-paying job with a future generated by an expanding free enterprise economy. We can ensure that our young people have an education of high quality and a job worthy of their talents.

We can ensure that government will again be the capable servant, not the meddling master of the American people. We can ensure that the American people will continue to live in peace, to continue to live in freedom by keeping America strong and by standing for what is right throughout the world.

We can achieve these great goals without looking to the Federal Government for all the answers and without sticking the American taxpayer with all the bills. We can do it all and still balance the Federal budget. With the right kind of a Congress, with a few more outstanding Members of the House and Senate like Lowell Weicker, Ron Sarasin, and Stu McKinney, I promise you that by fiscal year 1979 we will do just that.

These are not dim visions of the future. They are the proud record of my administration over the past 2 years, with the help of your delegation from the

State of Connecticut and Lowell and Ron and Stu. Let me thank you for having them at my side, and believe me, we sure need them back.

But this record of progress over the last 2 years will be the agenda for my administration in the next 4 years. These are my goals. This is my pledge—to lead this Nation forward on the path of peace, prosperity, and trust. Join me, if you will, on the road to a great victory for the Republican Party and for the United States of America in 1976.

Thank you very much.

NOTE: The President spoke at 12:30 p.m. in the Bushnell Memorial Hall. He was introduced by Frederick K. Biebel, Connecticut State Republican chairman.

In his opening remarks, the President referred to Governor John Lodge of Connecticut 1951–55 and entertainer Pearl Bailey.

Prior to his remarks, the President attended a Republican Party breakfast reception, a reception for business leaders, and a meeting of Connecticut delegates to the Republican National Convention. The receptions and meeting were held in the Hilton Hotel in Hartford, Conn.

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Statement on Signing the Bill Extending the Medicare Program. July 19, 1976

I HAVE signed H.R. 13501, the Medicare extension amendments. Although this bill would, for the most part, simply extend certain technical provisions of the Medicare law, other portions of the bill will increase Medicare payments for physicians' services above the level recommended in my budget without meeting the urgent needs of Medicare beneficiaries and taxpayers. These deficiencies in Medicare benefits can be corrected if the Congress will promptly consider and enact the needed reforms proposed in my Medicare Improvements of 1976 which was submitted in February.

My proposal would provide catastrophic protection against large medical bills for all of the 25 million aged and disabled who are insured by the Medicare program. These beneficiaries would be entitled to unlimited hospital and nursing home care and would not have to pay any costs above \$500 per year for hospital and nursing home care and \$250 per year for doctors' fees. This catastrophic protection would reduce payments for hospital or physician services for 3 million persons in 1977. The comprehensive reforms in the Medicare Improvements of 1976 also include moderate cost-sharing to encourage economical use of services, and a limit on Federal reimbursements for hospital and physician services in order to help control health cost inflation. In total, my proposal would

improve insurance against really large medical bills while also saving the taxpayers \$1.5 billion in fiscal year 1977.

The Congress has also recognized the high priority that must be given to economies in the Medicare program. The congressional concurrent budget resolution for fiscal year 1977 calls for \$300 million of net savings in Medicare.

I am keenly sensitive to the burdens borne by some of our elderly and disabled in meeting their medical expenses. I believe we should take positive steps to provide better protection against catastrophic health costs and inflation in health costs.

Once again, therefore, I urge the Congress to turn its attention to meeting the real needs of the aged and of the taxpayer and enact the Medicare Improvements of 1976 before it adjourns this year.

NOTE: As enacted, H.R. 13501, approved July 16, 1976, is Public Law 94-368 (90 Stat. 997).

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The President's News Conference of *July 19, 1976*

REQUEST FOR ACTION ON LEGISLATIVE PROGRAMS

THE PRESIDENT. [1.] Good afternoon. Before responding to your questions, I have two announcements to make.

First, I am sending later this week a message to the Congress calling for prompt action on a number of legislative programs that Congress must act on before adjournment. I am recommending affirmative action, as quickly as possible, on my further tax reduction proposals, on the remaining portions of my energy independence recommendations, on my stronger anticrime proposals, and, of course, general revenue sharing.

It seems to me that before Congress adjourns, it must undertake a vigorous legislative program if it is to maintain its credibility with the American people.

Secondly, I am sending to the Congress today a recommendation which would further advance our efforts to restore public confidence in the integrity of all three branches of the Federal Government, including the executive branch, the legislative branch, and the judicial branch. It is vitally important—I am determined and I trust Congress is—to ensure that those who hold public office maintain the highest possible standards and are fully accountable to the American

people for their behavior while in public office. I hope the Congress will act very promptly on this legislation.

I will be glad to answer any questions.

Helen [Helen Thomas, United Press International].

QUESTIONS

PRESIDENT FORD'S DELEGATE SUPPORT

[2.] Q. Mr. President, do you think that you have the Presidential nomination now locked up, and if not, do you think you will have it by the end of the week?

THE PRESIDENT. I am very encouraged with the results over the weekend. I believe that we are getting very close right now to the magic number of 1,130. I am confident by the time we get to Kansas City, we will have 1,130-plus.

Q. How many delegates do you think you have now?

THE PRESIDENT. The best estimate, I think, is 1,103, and we expect some more good news this week. Therefore, by the time we get to Kansas City, I am confident we will have over 1,130.

PROSPECTS FOR DEFEATING JIMMY CARTER

[3.] Q. Mr. President, is Governor Carter beatable?

THE PRESIDENT. Absolutely.

Q. And if so, how?

THE PRESIDENT. By the kind of an affirmative program that we have developed in the last 23 months here in the White House under the Ford administration. I intend to have an affirmative campaign based on the results of turning the economy around, achieving the peace, and the restoration of public trust in the White House itself.

PRESIDENT FORD'S FOREIGN POLICY RECORD

[4.] Q. Mr. President, Jimmy Carter has set forth some of his beliefs on foreign policy. Can you tell us whether you think there are major differences with what you are doing now in foreign policy, and what are they?

THE PRESIDENT. Since I strongly believe that our foreign policy has been a successful one—we have achieved the peace, we have the military capability and the diplomatic skill to maintain that peace—I don't see, from what I have read, any legitimate complaints or objections by any of my Democratic friends,

whether they are the candidates for the highest office or the Members of the Congress.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[5.] Q. Mr. President, sir, do you feel that the selection of Walter Mondale as Vice President is going to change your selection of a Vice-Presidential candidate?

THE PRESIDENT. I will make my choice known on the Vice-Presidency based on the best person that could serve as President of the United States. My decision will not be predicated on my Democratic opponent's recommendation of Senator Mondale.

Q. Mr. President, Mr. Carter took a month to select his Vice-Presidential nominee. Will you be able to take very long? Will you have enough time to consider?

THE PRESIDENT. I have been thinking about this matter for some time. I know all of the individuals who are being considered very well. I have worked with them, known about them. I have studied carefully their records. Therefore, it won't be a last-minute analysis. It will be one based on a good many years of experience and opportunities to know how they performed in public office or otherwise. So, it is not going to be a last-minute decision where we winnow out individuals in a 48-hour period.

ASSESSMENT OF THE CARTER-MONDALE CANDIDACY

[6.] Q. Mr. President, how do you assess the Carter-Mondale ticket?

THE PRESIDENT. I think it was obviously the choice of the Democratic Convention, which was well organized and well put together and well controlled. It is a ticket that can be beaten by an affirmative approach that I intend to have in setting forth the improvements that I have made domestically and in foreign policy during the time that I have been honored to be President of the United States.

It is a rather typical Democratic ticket when you add up the platform, its endorsement of the record of the Democratic Congress, and the comments that I have heard, both in the acceptance speeches and in subsequent observations.

Q. Can I follow up?

THE PRESIDENT. Sure.

Q. You said that the ticket—on Saturday, I believe—that the ticket tries to be all things to all people. Just what did you mean by that?

THE PRESIDENT. Well, if you look at the ticket itself, if you look at the platform, and if you look at the record of the Democratic Congress, you can't help

but come to the conclusion that they want to spend a lot of money on the one hand and they talk on the other about some restraint in Federal spending. You can take almost any one of the many issues, and they are on both sides of the issue. So, I think it fits in very precisely with my observation that I made on Saturday.

PRESIDENT FORD'S CAMPAIGN APPROACH

[7.] Q. Mr. President, what is the biggest single issue between you and Governor Carter?

THE PRESIDENT. I am not going to discuss this campaign from that point of view. I think it is important for me to act affirmatively in indicating the results that we have accomplished. I will let Mr. Carter decide the issues where he has some differences.

UNIFICATION OF THE REPUBLICAN PARTY

[8.] Q. Mr. President, if you do go to the convention with the number of delegates that you think you will go with now, is there anything else at the convention that could really divide the Republicans there?

THE PRESIDENT. I would hope not because the Republican Party does have to be as unified as possible if we are going to win the election in 1976. I think that unity can be achieved at the convention in Kansas City, and I will maximize my effort to accomplish that result. Therefore, we will have the job of picking the nominee, and I expect to be the nominee. We have to write the platform. I hope the platform will be one that all can support, and not divisive. And when we leave, we, as a party, must be united individually and collectively.

Q. Mr. President, isn't that, sir, going to be easier said than done though? These Reagan people are very committed. They have worked very hard. It is going to take more than just going into that convention, isn't it, and saying, "Well come on and be on our side." What are you going to say to them?

THE PRESIDENT. I think these delegates, all of them, the ones that support me and the ones that support Mr. Reagan, have a basic philosophical identity. They do represent delegates, one group for me and the other for Mr. Reagan. But the identity of the philosophy is such that I think when the convention is concluded, they can be together on the need and necessity for a candidate who will put forth their philosophy against that of the opposition.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[9.] Q. Wouldn't they be a lot happier if you put Mr. Reagan on the ticket with you? There is going to be a lot of pressure on you to do that, is there not?

THE PRESIDENT. I am not going to make the judgment here as to who will be the Vice-Presidential nominee. We will have a good Vice-Presidential candidate, and, as I said before, we are not going to exclude anybody.

PRESIDENT FORD'S CAMPAIGN APPROACH

[10.] Q. Mr. President, the Democrats have already signaled what direction they are going to go by trying to tie your administration with close ties to the Nixon administration. How do you intend to handle that problem in the campaign and shed that yoke?

THE PRESIDENT. I am going to use the Ford record of 23 months—which is a good one—in turning the economy around, in achieving the peace and maintaining the peace, in the restoration of public confidence in the White House, and, hopefully, the restoration of public confidence in the other two branches of the Federal Government.

Q. Inasmuch as you kept on such former Nixon intimates as Secretaries Kissinger, Simon and Butz and Messrs. Morton, Greenspan, Scowcroft, and Rumsfeld, isn't their branding of your administration the Nixon-Ford administration accurate?

THE PRESIDENT. Not at all, because I have made the final decisions in each case.

LIBYAN TERRORIST ACTIVITIES

[11.] Q. Mr. President, does the United States have evidence or information that President Qadhafi of Libya is financing, planning, encouraging, and serving as the central point of an international terrorist organization and conspiracy?

THE PRESIDENT. We do know that the Libyan Government has in many ways done certain things that might have stimulated terrorist activity, but I don't think we ought to discuss any evidence that we have that might prove or disprove that.

Q. In the light of what you had to say about the Israeli rescue mission, or mission in Uganda, if you have any reason to believe that the Libyan Government is encouraging terrorist operations on an international basis, why, in the sort of classic phrase, why isn't the United States doing something about it?

THE PRESIDENT. We are working in the United Nations, we are working with many governments in trying to put forward a very strong antiterrorist effort in order to stop this kind of very unwarranted, unjustified action, and we'll continue our efforts in that regard.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[12.] Q. Mr. President, I would like to follow up on Ronald Reagan as a possible running mate. I am sure you read the paper every morning, and there is a quote in here today from Governor Reagan saying, "Once you become the Vice-Presidential candidate, you have no authority over yourself." And he says, "I have expressed disagreements with a great many things with this administration. No, there is just no way, I wouldn't do it."

Doesn't that really close the door on Ronald Reagan as a running mate?

THE PRESIDENT. I am not going to pass judgment on what his attitude may be. I will simply reaffirm and reaffirm very strongly, I am not excluding any Republican from consideration as a potential running mate.

EFFECT OF COMMUNISTS IN ITALIAN GOVERNMENT ON U.S. POLICY TOWARD ITALY

[13.] Q. Mr. President, has the United States decided, with or without the concert of Germany, France, and Britain, not to extend any economic aid to Italy if the Communists join the Government in Italy?

THE PRESIDENT. I have said on several occasions that the United States Government, under this administration, would be very disturbed by Communist participation in the Government of Italy. For one reason, it would have a very, I think, unfortunate impact on NATO which is, of course, a very vital part of our international defense arrangement. The United States does have apprehension on a broader basis for Communist participation in the Italian Government.

VICE PRESIDENT ROCKEFELLER

[14.] Q. Mr. President, in view of Jimmy Carter's strength in the South and the Northeastern industrial States, possibly of crucial importance in your campaign, do you now think it may have been unwise for the Republican high command and you to have told Vice President Nelson Rockefeller to get lost?

THE PRESIDENT. I certainly don't use your words when I describe the situation that you have sought to so dramatically describe.

The decision by Nelson Rockefeller was one that he made himself. He has been an outstanding Vice President. He has been a close personal friend and adviser, and I will, of course, abide by his decision, as I would by any others.

But, I repeat what I said a moment ago, in my looking around for a Vice-Presidential running mate, I am not excluding anybody.

PRESIDENT FORD'S DELEGATE SUPPORT

[15.] Q. Mr. President, what do you feel your major problems are now to hold the nomination?

THE PRESIDENT. Getting a few more delegates.

Q. Where specifically are the problems?

THE PRESIDENT. There are around 100 uncommitted delegates on a pretty wide geographical basis. Of course, Hawaii has 18, Mississippi has 30, and the others are spread through a number of other States. So, we are going to make a maximum effort to convince individual delegates who are uncommitted as well as those two major States that have not yet committed themselves.

U.S.-CHINA TRADE AGREEMENTS

[16.] Q. Mr. President, a question on international trade. The American textile industry is very concerned about the increase in imports of textiles from the People's Republic of China. They would like you to negotiate a bilateral agreement with Peking. What is your view on that? Are you doing anything about it?

THE PRESIDENT. I made a statement¹ about 3 months ago that fully covers that. If you will refer back to that, it will give you a detailed answer.

SELECTION OF VICE-PRESIDENTIAL CANDIDATE

[17.] Q. Mr. President, can you share with us some of the criteria that you will be using in selecting a Vice President? You have said here today that you will choose the Vice-Presidential nominee only on his basis to become President should something happen to you, but will there be other criteria as well?

THE PRESIDENT. That is the principal one, of course, and any other criteria would have to be secondary to that. But other criteria might be age, compatibility with my own philosophy, the experience both in domestic and international affairs. There are a whole raft of potential criteria that I think have to be put into the formula.

Q. Let me ask you, if I can, then, about the process. As you know, Jimmy Carter had a well-publicized audition, if you will, of various candidates. Will you ask the people that you have in mind to meet with you either here at the White House or a place of their choice so you can discuss with them their philosophy of government and any personal differences that you may have?

THE PRESIDENT. Over the years I have done that with all or most of the people

¹ See Item 260.

that are being considered, so I don't think we have to go through the similar kind of routine that Governor Carter went through.

As I understood it, he had never met several of the people that he considered. So, I could really understand why he went through that process. Because of my experience and knowledge about all of the individuals that I think are being considered, I don't think that kind of a process has to be carried out.

EFFECT OF COMMUNISTS IN ITALIAN GOVERNMENT ON U.S. POLICY TOWARD ITALY

[18.] Q. Mr. President, if I may follow up on the question of Italy, since it is possibly related to other European countries, is there an American formula, should the Communists go to power in Italy, which will be applied?

THE PRESIDENT. We aren't going to dictate any formula to the Government of Italy or to the people of Italy. That is a decision for them to make. But I have expressed our views concerning Communist involvement in that Government as far as its impact on NATO.

SWINE FLU IMMUNIZATION PROGRAM

[19.] Q. Mr. President, can we ask you about the swine flu program? We understand it is in jeopardy now. The insurance companies will not insure the pharmaceutical companies which are making up the batch of vaccine. What can you do about it? Can the Government supply insurance?

THE PRESIDENT. Last week the Secretary of HEW and Dr. Cooper² met with the four manufacturers and their legal counsel. I got a report Friday from Secretary Mathews. He was more optimistic than some of the press stories seemed to indicate. I have not talked to him today, but we are going to find a way, either with or without the help of Congress, to carry out this program that is absolutely essential, a program that was recommended to me unanimously by 25 or 30 of the top medical people in this particular field. So, we are going to find a way, and I think we will eventually do it. And I expect the full cooperation of the industry and all other parties involved.

LEGISLATIVE PROPOSAL TO RESTORE PUBLIC CONFIDENCE IN THE GOVERNMENT

[20.] Q. Mr. President, that Watergate reform bill, the Senate version of it goes to the floor today. Until last week the administration, I gather, was very much opposed to it. Now you are in with a major proposal to change it. Can you tell us how the administration came up with these proposals at the 11th hour?

²Theodore Cooper, Assistant Secretary for Health, Public Health Service, Department of Health, Education, and Welfare.

THE PRESIDENT. The administration has had many reservations about several of the provisions in the bill that is on the floor of the Senate at the present time. One, the Senate bill provides, as we understand it—and we have gone into it with some outstanding legal scholars—an unconstitutional method of the appointment of a Special Prosecutor.

So, what we have recommended is a completely constitutional method of selecting a Special Prosecutor, one that would call for a Special Prosecutor recommended by the President, confirmed by the Senate for a 3-year term, with that particular Special Prosecutor being ineligible to serve other than the first 3 years.

That is definitely a constitutional way to have a Special Prosecutor who would have criminal authority over any allegations made against a President, a Vice President, high executive officials, all Members of Congress, and those involved in the judiciary.

Our reservation was not as to the thrust but as to the constitutionality of several provisions, including the one I have just described.

Q. What is your proposal?

THE PRESIDENT. Well, it is our proposal that we feel would accomplish the job of restoring public confidence in all three branches of the Federal Government and do it in a constitutional way.

PARDON OF FORMER PRESIDENT NIXON

[21.] Q. Mr. President, in his acceptance speech, Senator Mondale specifically attacked you for your pardon of Richard Nixon and received prolonged applause from the people in the hall. And later, Mr. Carter said it was an issue that apparently ran very deep in this country. Do you consider your pardon of Mr. Nixon a liability?

THE PRESIDENT. I decided to grant the pardon in the national interest. At that time the United States was faced with serious economic problems, and we were still involved in a long and difficult war in Southeast Asia. We had very important matters to face and to solve. We could not be involved in the Nixon matter and concentrate fully on the more important matters. I decided in the national interest. I would do it again.

UNIFICATION OF THE REPUBLICAN PARTY

[22.] Q. Mr. President, will you tell me, sir, what it is that you are accomplishing when you unite both wings of the party, when it is widely recognized

that the party is a minority party in American politics? And how do you win an election that way?

THE PRESIDENT. Well, we are going to unite the Republican Party and appeal to Independent voters and a number of Democrats, just as the Republicans did in 1968 and 1972.

PARDON OF FORMER PRESIDENT NIXON

[23.] Q. Mr. President, in connection with the pardon, in both Senator Mondale's speech and in Jimmy Carter's speech, there seemed to be a linkage between the pardon and Watergate, itself. Do you see any such linkage, number one, and secondly, do you think that Watergate should be an issue in this campaign?

THE PRESIDENT. I granted the pardon because I thought it was in the national interest. I think the American people will make the decision, not myself, whether it will be an issue or not.

REPUBLICAN CONVENTION BALLOTING PROCEDURE

[24.] Q. Mr. President, do you expect a rules fight at the convention that will allow some delegates to abstain on the first ballot and possibly the second ballot?

THE PRESIDENT. Well, the Justice amendment, which we are proposing, would require that all delegates vote according to the laws under which they were selected. And I think that is a very proper amendment to carry out the wishes of the people that supported those individuals at the time they were chosen.

Q. Can I follow up, sir? Do you have an indication from the Reagan people that they will not try and change the Justice amendment?

THE PRESIDENT. To my knowledge, we have not consulted with them.

REPUBLICAN VICE-PRESIDENTIAL CANDIDATE

[25.] Q. Mr. President, how many Vice-Presidential possibilities do you have in mind?

THE PRESIDENT. Quite a few.

Q. Like maybe a half dozen, a dozen?

THE PRESIDENT. I am not going to get into the numbers game. We have a fine, fine array of talent in the Republican Party and maybe elsewhere. And so we will just keep that open until we make the final choice.

Q. [*Inaudible*].

THE PRESIDENT. You heard me correctly.

Q. Do your comments on the Vice-Presidency here today rule out any possibility you will declare the nomination open and let the convention in Kansas City decide the Vice-Presidential selection?

THE PRESIDENT. I will certainly make a recommendation, and I hope the convention would follow my recommendation.

Q. Mr. President, since you have known all of the people involved as a potential Vice President so long and so well, is it possible you have made your decision and are delaying the announcement until the convention?

THE PRESIDENT. Not at all.

Q. Mr. President, can you tell us what elsewhere is?

THE PRESIDENT. Well, use your imagination.

FORD ADMINISTRATION EFFORTS TO PREVENT POSSIBLE ARAB OIL EMBARGO

[26.] Q. Mr. President, Governor Carter has said that if the Arabs were to impose another oil embargo, he would treat that as an economic declaration of war and cut off all U.S. trade with the Arab nations. What do you think of that proposal?

THE PRESIDENT. We have been able, through diplomatic successes, to avoid the possibility of a Middle Eastern war and thereby avoided the possibility of an oil embargo. I am confident that the Ford administration successes, diplomatically, in the Middle East, will preclude any such situation as was indicated by Mr. Carter.

If you are doing things right, if you have the trust of Arab nations, as well as Israel, I don't think we have to look forward to either a Middle Eastern war or an oil embargo.

THE SUMMER OLYMPIC GAMES

[27.] Q. Mr. President, may I ask about the Olympics? Now that Taiwan and the African nations have pulled out, what is your assessment of the situation and what changes would you like to see made in the next Olympics?

THE PRESIDENT. I am very proud of the successes I read about of the American team there yesterday. They did very, very well in the 100-meter freestyle and several other events, and I think the American team has done well and will continue to do well.

Q. Has it been overpoliticized?

THE PRESIDENT. We have tried to keep the athletic competition at the international level away from being pawns in international politics. We did our very best to achieve that result. And the net result was, with some unfortunate cir-

cumstances, that the athletes are able to compete, and I am proud of the American successes.

PRESIDENT FORD'S CAMPAIGN APPROACH

[28.] Q. Mr. President, will your race with Jimmy Carter be a conservative versus a liberal race? What is the difference between your philosophy and Mr. Carter's in those terms?

THE PRESIDENT. I am not going to pass judgment on my opponent's campaign. We are going to run our own campaign, which is one of a record of accomplishment in foreign policy, domestic policy, and the restoration of trust in the White House. What they do is for them to decide.

Q. You cannot then describe Carter as a liberal?

THE PRESIDENT. I am not going to pin a label on anybody. I am going to just say that we have done a good job, and on the basis of doing a good job, I think the American people will want the same kind of a job done for the next 4 years.

LEGAL REQUIREMENT FOR A PRESIDENTIAL ELECTION COMMITTEE

[29.] Q. Mr. President, when you were Vice President you said that you would not employ anything such as CREEP [Committee for the Re-Election of the President], as President Nixon had, that you would have no separate committee. Now we understand there will be a President Ford election committee and you will not be relying entirely on the Republican National Committee.

THE PRESIDENT. I think that is caused by the election reform act that was passed late in 1974. When I made that speech out in Chicago—I think sometime in 1973 or early 1974—that election law had not been enacted. Once that law was enacted, it does require that you maintain a national committee and that the candidate for the Presidency have a separate organization. So, as much as I might want to put the two together, it is precluded by the law itself.

QUALIFICATION TO BE PRESIDENT

[30.] Q. Mr. President, Senator Mondale says that you didn't have the intelligence to be a good President. What do you think?

THE PRESIDENT. Well, I think the American people will judge that.

MEETINGS WITH UNCOMMITTED DELEGATES

[31.] Q. Mr. President, can we assume that you will see all the noncommitted delegates by the time the convention begins?

THE PRESIDENT. I would hope I could, but I can't categorically promise that. I would like to, definitely.

ABORTION

[32.] Q. Mr. President, the Supreme Court recently handed down another decision on abortion essentially strengthening the first one. What does this do to your position that you prefer a constitutional amendment turning it back to the States? Have you given up hope now for that?

THE PRESIDENT. I don't see how that recommendation on my part is undercut by the recent decisions of the Supreme Court. I do not believe in abortion on demand. I do think you have a right to have an abortion where the life of the mother is involved, where there was rape. I don't go along with those who advocate an amendment that would be so ironclad you couldn't under any circumstances have an abortion.

I reiterate what I have said on a number of occasions. I think an amendment that permits the voters in a State to decide whether in that State they want or don't want, is a proper way to give the people of this country or in their respective States the decisionmaking power.

Q. Mr. President, don't you think their decision makes it more difficult to get that amendment, however?

THE PRESIDENT. Not necessarily.

PERSONNEL CHANGES IN THE FBI

[33.] Q. Mr. President, do you have any comment one way or another on that recent shakeup in the FBI on the Kelly dismissal of Mr. Callahan?³

THE PRESIDENT. That was a decision by the Attorney General and by the FBI Director. Mr. Callahan was not a Presidential appointee so it was handled by the proper authorities.

JIMMY CARTER

[34.] Q. Mr. President, presumably you watched a little bit of the Democratic National Convention on television. If so, would you tell us how Jimmy Carter came across to you as a personality, as a potential campaigner, and as an opponent?

THE PRESIDENT. I don't think I really had any impression of him. [*Laughter*]

Q. You didn't watch enough to get an impression of him?

THE PRESIDENT. I was pretty busy.

³ Nicholas P. Callahan was discharged as Associate Director of the Federal Bureau of Investigation on July 16 for alleged illegal administration of the Bureau's Recreational Association Fund.

MEETING WITH THE NEW JERSEY DELEGATES

[35.] Q. Mr. President, all 67 members of the New Jersey delegation are already in your column.

THE PRESIDENT. I hope.

Q. Why are you bringing them down here this afternoon to a private meeting from which the press has been barred?

THE PRESIDENT. I am inviting them down because I want to meet them personally, just as I said a few moments ago. I would like very much to have the opportunity of meeting all of the delegates and alternates to the national convention, and this is a good way for me to do with the New Jersey delegation as I have with the other delegations.

Q. What will be the nature of this meeting, and do you have any thoughts about the exclusion of the press from—

THE PRESIDENT. I didn't know until a few moments ago that members of the press were excluded.

Q. Do you want to revoke it? [*Laughter*]

THE PRESIDENT. We have had a number of such meetings, and the question never came up from the press before, and I just don't see why we should make an exception here.

PRESIDENT FORD'S RATING IN PUBLIC OPINION POLLS

[36.] Q. Mr. President, why are you down so far in the polls when you are pitted against Jimmy Carter?

THE PRESIDENT. The only poll that really counts is the one that is going to come on November 2 when the voters of this country decide in all 50 States. And I will rely on that one.

Q. But how can you account for the preferences there?

THE PRESIDENT. I don't think we should analyze the ups and downs of periodic public opinion polls. The real one that counts—and that is the one that is going to decide this great election—is the one that comes November 2.

NOTE: President Ford's thirty-fifth news conference began at 1:30 p.m. on the North Lawn at the White House.

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Letter to the President of the Senate and Speaker of the House on Proposed Legislation To Restore Public Confidence in the Integrity of the Government. July 19, 1976

ONE OF the foremost objectives of my Administration has been to restore public faith and trust in the integrity of all three branches of our government, the executive, the legislative and the judicial. Much progress has been made, but we must take additional steps to insure that public concerns are fully satisfied.

The Senate now has before it a bill, S. 495, which could serve these important objectives. However, as drafted, S. 495 contains serious Constitutional and practical problems, and it is so narrowly drawn that it does not fairly and adequately meet the objectives of such legislation.

I am writing to you today to propose a substitute to S. 495 that would correct the Constitutional deficiencies in the bill and would also expand its scope so that it would apply in equal force to the President, the Vice President, major appointees of the Federal government, and members of the Congress of the United States. I believe this new bill represents a sound, constructive approach and I would urge its adoption by the Congress.

In its current form, S. 495 provides for the appointment of temporary special prosecutors to deal with allegations of wrongdoing by key members of the government. The proposed legislation also would establish the Office of Congressional Legal Counsel to represent Congress before the Courts, and it provides for public financial disclosure by high level personnel in the government.

While I strongly support the principles underlying this legislation, I am especially concerned about three particular aspects of the bill in its present form:

- Title I, which provides for a series of different independent and special prosecutors for separate cases of alleged wrongdoing, is of highly questionable constitutionality because it would invest in the judiciary the power to review the role of the Attorney General in conducting prosecutions and the power to appoint special prosecutors not subject to Executive direction. To grant the judiciary such authority is contrary to the fundamental principles of separation of powers. Moreover, S. 495 requires the appointment of a different special prosecutor for each case, all on an *ad hoc* basis. The Department of Justice estimates that if S. 495 were now law, approximately half a dozen special prosecutors would have to be appointed, and close to 50 other matters possibly

requiring appointment would be under advisement by a special court. This extraordinary result of the present bill would almost certainly produce inconsistency and inequity of prosecutorial action. I must also point out that Title I would not require direct referral to a special prosecutor of allegations of wrongdoing by most members of Congress, while it would require referral for all high level officers of the executive branch. I do not believe that such difference in treatment should be allowed to exist if public confidence in the government is to be maintained.

- Title II attempts to preempt certain law enforcement powers accorded to the President by the Constitution and vest them in the Congress.
- Title III, requiring financial disclosure by numerous government officers and employees, allows certain loopholes in reporting procedures, and has certain other deficiencies.

To remedy these defects, while advancing the principles of accountability by officers and employees in all three branches of the Federal government, I am transmitting today a substitute for S. 495. I urge the Senate to consider my modifications in proposals at the same time it considers S. 495. I also urge the House Judiciary Committee to consider my proposal at the time of its initial hearings on this matter later this week.

The highlights of my proposed legislation to maintain the public's confidence in the integrity of our government are as follows:

Title I—Reorganization of the Department of Justice

To avoid the problems in Title I, my legislative proposal would establish a permanent Office of Special Prosecutor to investigate and prosecute criminal wrongdoing committed by high level government officials. The Special Prosecutor would be appointed by the President, by and with the advice and consent of the Senate, for a single three-year term. Individuals who hold a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of a candidate for any elective Federal office would be ineligible for appointment. The bill would sanction removal of the Special Prosecutor only for extraordinary improprieties and in the event of removal, the President would be required to submit to the Committees on the Judiciary a report describing with particularity the grounds for such action.

Any allegation of criminal wrongdoing concerning the President, Vice President, members of Congress, or persons compensated at the rate of Level I or II of the Executive Schedule would be referred directly to the Special Pros-

ecutor for investigation and, if warranted, prosecution. The Attorney General could refer to the Special Prosecutor any other allegation involving a violation of criminal law whenever he found that it was in the best interest of the administration of justice. The Special Prosecutor could, however, decline to accept the referral of any allegation. In that event, the allegation would be investigated by the Department of Justice.

The Special Prosecutor would have plenary authority to investigate and prosecute matters within his jurisdiction, including the authority to appeal adverse judicial rulings. However, in the event of a disagreement with the Special Prosecutor on an issue of law, the Attorney General would be free to present his position to the court before which the prosecution or appeal is lodged.

My proposal would also institutionalize, by statute, the investigation and prosecution of violations of law by government officials and employees which do not fall within the jurisdiction of the Special Prosecutor. Title I would also establish by statute a Section on Government Crimes and an Office of Professional Responsibility within the Department of Justice.

Title II—Congressional Legal Counsel

I have also proposed a revised Title II that creates an Office of Congressional Legal Counsel and assigns the powers and duties of that Office. Like S. 495, this proposal gives Congress the legal assistance necessary to the proper discharge of its functions, but it does so in a manner consistent with the Constitution of the United States. Under my proposal, when the Attorney General certifies that he cannot represent Congress or a congressional entity, Congress or the appropriate house of Congress may direct the Congressional Legal Counsel to defend any legal action, enforce subpoenas, bring described civil actions, intervene in cases or appear as *amicus curiae* to defend the constitutionality of any law of the United States or the powers and responsibilities of Congress. Congressional Legal Counsel may request grants of immunity under the Organized Crime Control Act of 1970.

In all of these matters, my proposal like S. 495, provides for exclusive congressional control and direction of the activities of the Congressional Legal Counsel.

Title III—Government Personnel; Financial Disclosure Requirements

My proposed bill recognizes and protects the public's right to be assured that public officials, regardless of which branch of government they serve in, disclose

personal financial matters which could give rise to a conflict of interest in the performance of their official duties.

My proposal would require Federal public officers and employees to file financial reports with a designated office in their branch of government. In addition, public disclosure would be made of the financial statements of (i) all elected officials, (ii) high ranking officers or employees appointed by such officials, (iii) significant policy making and confidential employees, and (iv) other employees compensated at the rate of GS-16 or above (but not those in competitive civil service or who, save for certain legal exemptions, would be in the competitive civil service). My proposed legislation would also give the Comptroller General oversight authority to audit such statements as well as the authority to make findings of a conflict of interest and if the problem is not corrected, to make those findings public. Thus, the public's right to have accountability from public officers and employees is doubly protected: first, by the executive, legislative or judicial branch office with which reports are filed, and secondly, by the Comptroller General.

In addition, my proposal would close certain loopholes contained in the current Senate bill. For example, the present proposal requires the reporting of any item received in kind whose fair market value "for such item" exceeds \$500. Such provision would allow a series of gifts from the same source, each valued at less than \$500 to go unreported. Under my proposed legislation such gifts would be aggregated and hence require reporting. Moreover, my proposal would make clear that while property owned for personal use, such as the family home, furniture, jewelry, the family car, etc., need not be inventoried in disclosure forms, property of a business or investment nature must be reported. Assets unknown to the individual because they are held in a bona fide "blind trust" need not be identified, but the trust interest must be disclosed.

I believe these provisions better serve the public interest than those contained in S. 495. Therefore, I urge the Congress to give prompt and favorable consideration to my proposal.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate.

A copy of the proposed legislation was also included as part of the release.

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Message to the Senate Transmitting the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents.
July 19, 1976

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents adopted at the Ninth Session of the Hague Conference on Private International Law on October 26, 1960. The Convention, which was opened for signature on October 5, 1961, is presently in force in twenty countries.

This is the third convention in the field of international civil procedure produced by the Hague Conference on Private International Law to be sent to the Senate. It complements the Conventions on the Service Abroad of Judicial and Extrajudicial Documents in Civil and Commercial Matters and on the Taking of Evidence Abroad in Civil and Commercial Matters which are already in force for the United States to assist litigants and their lawyers in civil proceedings abroad.

The provisions of the Convention contain short and simple rules which will reduce costs and delays for litigants in international cases. The provisions would eliminate unnecessary authentication of documents without affecting the integrity of such documents. They would also free judges and other officials, who presently certify signatures, from the time-consuming and unnecessary administrative process presently required.

The Convention has been thoroughly studied by the bench and bar of the United States. Its ratification is supported by the Judicial Conference of the United States, by the American Bar Association, and by other bar associations at the state and local level.

I recommend that the Senate of the United States promptly give its advice and consent to the ratification of this Convention.

GERALD R. FORD

The White House,
July 19, 1976.

NOTE: The convention and accompanying papers are printed in Senate Executive L (94th Cong., 2d sess.).

677

Message to the Senate Transmitting a Protocol To Amend the Interim Convention on Conservation of North Pacific Fur Seals.
July 19, 1976

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington on February 9, 1957, which Protocol was signed at Washington on May 7, 1976, on behalf of the Governments of Canada, Japan, the Union of Soviet Socialist Republics, and the United States of America.

The provisions of the Protocol were initially formulated by the North Pacific Fur Seal Conference held at Washington from December 1 through December 12, 1975.

I transmit also for the information of the Senate, the report by the Department of State with respect to the Protocol.

This Protocol is significant because it permits the continuation in force, with minor modifications, of the only international agreement affording protection to the fur seals of the North Pacific. I recommend that the Senate give favorable consideration to this Protocol at an early date because all the States party to the Interim Convention must ratify the Protocol prior to October 14, 1976 to prevent the lapse of the Interim Convention.

GERALD R. FORD

The White House,
July 19, 1976.

NOTE: The protocol and accompanying papers are printed in Senate Executive M (94th Cong., 2d sess.).

678

Statement Announcing Intention To Convene the White House Conference on Library and Information Services.
July 19, 1976

I AM today announcing my intention to convene the White House Conference on Library and Information Services, provided for in Public Law 93-568. Realization of the full potential of this conference lies in the hands of dedicated pro-

professionals working day-to-day in this area. These individuals will make the White House Conference on Library and Information Services a successful and productive event.

The challenge confronting those who provide information services to the public is one of harnessing modern technology. Telecommunications, computers, and micrographics must be further employed to reduce the costs of making information more widely accessible and improving the speed and accuracy with which source materials can be supplied. The librarian of today's space age serves a profession and a public more demanding and exacting than ever before.

Within the next few months, I will request from the Congress the appropriations necessary to fund the conference and announce my appointments for the Advisory Committee to the White House Conference on Library and Information Services. It is my hope that the White House Conference on Library and Information Services will, through its State, territorial, and national assemblies, provide the impetus for advancing the quality of America's informational services.

679

Telephone Conversation With National Aeronautics and Space Administration Officials on the Mars Landing of the Viking I Spacecraft. *July 20, 1976*

THE PRESIDENT. Dr. Fletcher?

DR. FLETCHER. Hello, Mr. President. Jim Martin and myself are on the line.

THE PRESIDENT. It's nice to talk to you, Jim Martin.

Let me congratulate Dr. Jim Fletcher, the Administrator of NASA, and you, the Viking Project Coordinator, for the just wonderful and most remarkable success in this historic mission. I also think it appropriate to thank the thousands and thousands of dedicated scientists, technicians, and other NASA personnel involved across the country, as well as those from universities and private industry who gave such invaluable assistance over the long period of development and production.

I think it's amazing to think that in the span of a single lifetime, the exploration of air and space has grown from the dreams of a very, very few individuals to such a massive cooperative reality. We have gone from a flight of a few seconds

and a few hundred feet for a yearlong journey to Mars, crossing some 440 million miles.

Unfortunately, your search for a safe landing forced you to delay the Viking's landing beyond the scheduled July 4 date. But by an extraordinary coincidence, today is another historic anniversary. Seven years ago, July 20, 1969, we received a transmission from the Moon telling us, "The Eagle has landed."

Today's landing, like that one, represents the realization of a dream that is many, many centuries old. In a sense it is even more significant, for today we are touching another planet, one that has long excited mankind's imagination. And this mission offers the possibility of a momentous discovery in the history of mankind—the existence of life elsewhere in the universe.

If the experiments of Vikings I and II do not reveal living organisms, they will learn other secrets of the universe. They will tell us a good many things about our own planet—opening up new possibilities for exploration—and should produce knowledge that will improve the quality of life right here on Earth.

Our achievements in space represent not only the height of technological skills, they also reflect the best in our country—our character, the capacity for creativity and sacrifice, and a willingness to reach into the unknown.

To both of you Jims and your associates, I have designated today, July 20, 1976, as Space Exploration Day [Proclamation 4449], and I strongly encourage all Americans to follow the progress of our Viking missions and to reflect on our journey into the unknown.

Now, either one of you two Jims, could I ask a few questions?

DR. FLETCHER. Carry on, Mr. President.

THE PRESIDENT. As far as I can tell—what kind of shape is the spacecraft in?

MR. MARTIN. This is Jim Martin.

THE PRESIDENT. Yes, Jim.

MR. MARTIN. Mr. President, the spacecraft appears to be extremely healthy. All the telemetry indications we have say that it landed softly and safely. It is just taking beautiful pictures.

THE PRESIDENT. Just a few moments ago, before I came on the line, I saw some of the pictures. And it's almost impossible to visualize that that quality of photography could be transmitted from 400-and-some million miles back to the United States and have such a clear resolution.

What kind of movement, if any, do we anticipate and, if there is any movement on Mars, how will it appear?

MR. MARTIN. Well, Mr. President, if there is real fast movement, like an

animal, I am afraid it will appear as a blur. If there is slow movement, like a rock rolling along or a slow cloud moving by in the distance, we will probably see that go by.

Right now, all we are seeing is the landscape with what may be blue sky in the distance. We have only black and white at the moment, and we can't quite see what is on the landscape at the moment. But if anything moves slowly along the landscape, we would see it.

THE PRESIDENT. Will you have other pictures which will be more definitive in a more localized area?

MR. MARTIN. Yes, we plan to take, over the next 2 or 3 days, a series that will be right out in front of the lander where we hope to dig a sample about 8 days from now. We will look for a safe place to dig up some dirt that we will then put into the biology experiments and into the organic analysis experiments.

THE PRESIDENT. Is there any time limit on how long you can take pictures of this quality?

MR. MARTIN. No, we believe from all of our testing that we should be able to take pictures through the primary mission, which extends to about the middle of November. There is nothing really to wear out. This is a line scan camera, facsimile camera. It takes a line at a time. That is why it takes quite a while to take a picture. We will only get three or four pictures per day, but they should all continue to be of this quality.

THE PRESIDENT. How long does it take, once the picture is taken, to get the necessary resolution back to us here on Earth?

MR. MARTIN. The first picture you saw, which included the footpad, took about 5 minutes to take on Mars, and then it is transmitted by a relay radio up to the orbiter flying overhead. Then the orbiter sends the picture to Earth, and it takes about four times as long. So, it took 20 minutes to send back the first picture from the orbiter. And then this bigger picture that is coming in now with the panorama will take about 40 minutes to come back to Earth.

THE PRESIDENT. Well, apparently everything is going extremely well. Your spectrometers, your so-called cookers, as they are called—everything is going A-OK?

MR. MARTIN. Everything is really fine. We, of course, haven't and won't operate some of the instruments for a few days. We did measure the constituents and composition of the atmosphere as we came down through it, and all indications are that the instruments worked just fine. We don't know yet what the atmosphere is, but we will know in a few hours.

THE PRESIDENT. When do you anticipate that Viking II will go through the same process?

MR. MARTIN. Viking II arrives at the planet on August 7, and we will put it into orbit on that day. Right now, our nominal plan is to land it on September 4.

THE PRESIDENT. Have you picked the place where it will land, or not?

MR. MARTIN. Not yet, Mr. President.

DR. FLETCHER. No, Mr. President, we are still looking for two choices—one south of the Equator, and one up closer to the polar cap, about 45 degrees north latitude.

THE PRESIDENT. Well, the two of them then will be there simultaneously and operating from different locations?

MR. MARTIN. Yes, that is one of our hopes, because we have a seismometer on board, and if we can measure a Mars quake with both landers, then we can locate quite precisely where it is on the surface of the planet.

THE PRESIDENT. Do we have any plans for a Viking III, et cetera?

DR. FLETCHER. Mr. President, we are thinking very hard about that right now. I just got a big bunch of applause from our team on that question.

THE PRESIDENT. I suspected that there might be approval among all of you for such a landing and such a project.

MR. MARTIN. Mr. President, the team is ready for Vikings III, IV, V, and VI.

THE PRESIDENT. Well, give everybody my very best, will you, Jim Fletcher and Jim Martin? And thank all of those there with you and transmit to all of the others, whether they were in our colleges, universities, in NASA, or wherever else they were, for a job well done. And let me express to each of you and all of the group, my very best wishes for a great job. We are all very proud of you.

MR. MARTIN. We appreciate those kind words, Mr. President.

THE PRESIDENT. Good luck.

NOTE: The President spoke at 9:21 a.m. from the Oval Office at the White House to Dr. Fletcher and Mr. Martin at the Jet Propulsion Laboratory in Pasadena, Calif.

680

Remarks at the Swearing In of Shirley Temple Black as Chief of Protocol for the State Department. July 20, 1976

SHIRLEY, it's a great honor for me to have the opportunity of asking the Ambassador to swear you in to this very important post. It's a great reward

for the outstanding service that you have given, first as a Representative at the United Nations and, more recently, in Ghana, in Africa.

Your record in each case was superb. You've got a great challenge here, and I am absolutely certain that with your training in the various areas of diplomacy, plus your long experience in trying to serve the public in various causes, your service here will be the kind that will be in the best interest of our country.

We are delighted to have you back. We will be seeing a good bit of you, as the Ambassador knows, and we look forward to those opportunities. And I am sure you are going to be with us tonight, are you not?

AMBASSADOR BLACK. Yes, indeed.

THE PRESIDENT. We have to swear you in, first, but we are looking forward to that.

Mr. Ambassador, will you please swear in Shirley Temple Black as the new Protocol Officer?

[At this point, Stuart W. Rockwell, Deputy Chief of Protocol, administered the oath of office.]

AMBASSADOR BLACK. Mr. President, it's a high honor indeed that you have bestowed upon me. It's a great honor to be the first woman Chief of Protocol for the United States of America.

I don't know why, Mr. President, it took 200 years for one of us to get the job, but I will do all my very best work to try to fill all the various assorted sizes of shoes of the distinguished men who have been Chief of Protocol.

I also want to say, Mr. President, I think I met you first almost 10 years ago, and it's a very extreme honor for me to be serving—during our Bicentennial Year—serving a man who I consider to be one of the most honest, most important men I have known in my life.

And so, for that reason, I again thank you for this appointment and, also, for the last appointment as United States Ambassador to the Republic of Ghana.

I have to tell you, Mr. President, one more thing—that in order to take this job, I had to go to my African chief in Cape Coast, Ghana, because I was an honorary *abontsendomhene*, or a deputy chief for the Oguua Traditional Area. I went to the chief on July 4, this year, and I said, "May I have your permission to not only remain as your honorary African chief but I am now going to be Chief of Protocol." He smiled; he was very pleased, and wished me well.

I thank you, Mr. President. I am honored to serve. Thank you.

THE PRESIDENT. Let me further explain Shirley's first meeting with me. She dared the congressional route to Washington, following Art Younger. And

Shirley was one of several candidates, and I thought she would make an excellent Member of the House of Representatives. But fate didn't turn it out that way, so you went the diplomatic route in your efforts to come to Washington. You have been so successful in the latter, it's probably better that you didn't win it before. [*Laughter*]

AMBASSADOR BLACK. Mr. President, I think you are an excellent President. [*Laughter*]

THE PRESIDENT. It is real nice to see you, and the very best to you.

NOTE: The President spoke at 2:37 p.m. in the Cabinet Room at the White House.

681

Letter to the President of the Senate and Speaker of the House Transmitting First Annual Report of Executive Branch Activities Under the Privacy Act of 1974. July 20, 1976

THIS LETTER forwards the report of executive branch activity in 1975 to comply with the Privacy Act of 1974 in accordance with the provisions of Section 3(p) of the Act.

This is the first annual report under the Act which I signed on December 31, 1974. It includes both a summary description and assessment of agency activities under the Privacy Act, and a list of agency personal data systems subject to the Act.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

The 2-volume report is entitled "Federal Personal Data Systems Subject to the Privacy Act of 1974—First Annual Report of the President for Calendar Year 1975."

682

Remarks to Members of the Diplomatic Corps at a Bicentennial Celebration. July 20, 1976

Ladies and gentlemen of the diplomatic corps and distinguished guests:

Mrs. Ford and I are delighted to have all of you here on this occasion this evening. On behalf of the American people, I thank you for your very generous

and enthusiastic response of your governments and your peoples on our 200th birthday of the United States of America.

Among the many Bicentennial events, this one has a very special significance. A unique aspect of America's development has been its relationship between our Nation and the other countries of the world. Our strength and character are derived from all corners of the globe. The Declaration of Independence addressed itself to the entire world.

Today, just as two centuries ago, a decent respect to the opinions of mankind continues to be our guide. America's strength and America's well-being arise from the principles embodied in the Declaration of Independence.

In our country, we have united many races and many ethnic groups. And that unity, equality, and freedom will be maintained in the years ahead. Americans are convinced that constant devotion to the individual and national freedom is essential to the highest and finest human aspirations.

Americans have never been satisfied with the status quo. We see a future of steady movement toward a better life through prosperity and justice shared by all. We are proud of our success, and we are aware that no nation can pursue its prosperity in isolation. Our economies are closely linked. Neither security nor justice can be assured in a world tormented by deprivation and by suffering. The peoples of the world must, in our opinion, live in peace to prosper. As President, I will continue America's role of leadership throughout the world.

Our country could not have become what it is without the enormous contributions of the many nations all of you represent here this evening. Today, in this very special year, I speak for 215 million Americans in expressing thanks to all those nations with whom we have ties of family, of culture, of friendship, of trade and alliance. We rededicate ourselves to working with you and with all humanity. Together, let us seek a human community responsive to all citizens.

And now, would my good and old friend, His Excellency, the distinguished Ambassador of Nicaragua, dean of the diplomatic corps here in the National Capital, Ambassador Sevilla-Sacasa, please step forward.

In commemoration of America's Bicentennial, I am pleased to present to you, Your Excellency, as representative of the entire diplomatic corps, a gift that symbolizes the spirit of this very special year in America's history. It is a redwood carving bearing the American symbol, the Bald Eagle, and carrying the legend of America, "Out of Many, One."

This token, I should say to all of you here, will be sent to each of you. Also,

it represents how proud we are in 1976 to enjoy the friendship and the good will of all the countries that are represented here this evening.

NOTE: The President spoke at 10:04 p.m. in the Rose Garden at the White House where he and Mrs. Ford hosted the Bicentennial celebration for

members of the diplomatic corps, Ambassadors to the Organization of American States, the congressional leadership, and members of the Cabinet.

683

Statement Following Senate Action on the Public Works Employment Act of 1976. *July 21, 1976*

I DEEPLY regret today that the Senate has overridden my veto of the public works bill.

Both the Senate and I share a keen desire to expand job opportunities for all Americans, but I continue to believe that the wisest, most productive means of reaching that goal is through a steadily growing private sector—not through temporary jobs that are run by the Government, increase the national debt, and create new inflationary pressures.

The House can rectify the Senate action on Thursday and should, in the best interest of the Nation, sustain my veto.

NOTE: On July 22, 1976, the Senate voted to override the President's veto, and S. 3201 was enacted as Public Law 94-369 (90 Stat. 999).

For the President's message to the Senate ve-

toing the legislation and a statement on congressional enactment of the legislation, see Items 653 and 686.

684

Remarks Upon Signing a Special Message to the Congress Urging Action on Pending Legislation. *July 22, 1976*

I HAVE a serious and growing concern over the outlook for congressional action during the remainder of 1976.

Time for action is rapidly dwindling. An enormous backlog of work is piling up on congressional desks. Important laws must be passed this year in many areas:

- to cut taxes and to cut spending;
- to expand catastrophic health care program;
- to set up a national swine flu program;
- to limit court-ordered school busing;

- to attack crime and drugs; and
- to attack many other important matters.

This afternoon, I am sending to the Congress a special message urging prompt action on 74 proposals that I have sent to the Congress and are still waiting action.

I am also deeply concerned that at a time when the public's business has become so pressing, some Members of the Congress apparently want to turn the rest of this legislative schedule in this session into a political test of wills between one party in the Congress and another party in the White House. I do not think the Nation will be well served if partisanship is placed ahead of public service during the rest of this legislative schedule.

The people expect political differences. The people expect a high-level, spirited, political contest this fall. But our people also expect that those who have the privilege of occupying public offices and collecting public salaries should render a full measure of public service.

There must be no holiday on good government. I expect to meet that standard, and I trust the Congress will also.

NOTE: The President spoke at 3:50 p.m. in the Oval Office at the White House.

685

Special Message to the Congress Urging Action on Pending Legislation. July 22, 1976

To the Congress of the United States:

In the weeks remaining in this session of the 94th Congress there is an opportunity to write a legislative record of which we can all be proud. Over the past 23 months I have sent legislative proposals to the Congress dealing with many vital areas of national concern. Some of these proposals have been enacted, some are nearing enactment, but many others have been stalled in the legislative process.

Today I am calling on the Congress to turn its full and undivided attention to this unfinished agenda of legislative business. If you do, the record you will take to the people will be a good one.

The agenda is long, even though it does not include everything that should be passed by the Congress before it goes home. For example, I have not included here the appropriation bills which must be passed. Most of the agenda items

have been debated at length by the Congress and the time for action has arrived.

The priority categories for action are familiar ones:

- tax reductions coupled with spending restraint
- crime control
- restoring the integrity of the Social Security System
- catastrophic health care protection for those covered by Medicare
- restrictions on forced, court ordered busing
- revenue sharing and block grants
- regulatory reform
- energy
- indemnification of swine flu manufacturers
- the remainder of my defense program plus defense cost saving legislation
- and other legislation ranging from agriculture to the environment; from higher education to reform of the Federal retirement system.

In the agenda that follows, I have listed the specific legislation that needs to be passed by the Congress. I am convinced that the passage of these bills is in the real interest of all of the American people.

TAXES

PERMANENT TAX REDUCTION

This proposal would provide a \$28 billion permanent income tax reduction effective July 1, 1976. Major provisions affecting individual income taxes include an increase in personal exemptions from \$750 to \$1,000, a reduction in tax rates, and substitution of a flat standard deduction for the low income allowance and percentage standard deduction.

ESTATE AND GIFT TAX ADJUSTMENT ACT

This legislation would raise the estate tax exemption from \$60 thousand to \$150 thousand and make all transfers of assets between spouses exempt from estate and gift taxes. The estate tax rate structure would be altered so that taxes on the largest estates would remain unchanged.

In addition, this legislation would make it easier to continue the family ownership of a small farm or business following an owner's death. This would be accomplished by liberalizing present rules governing installment payments of estate taxes attributable to a small family farm or closely-held business by

providing a 5-year “grace” period before such payments must begin, reducing the interest rate on those payments, and by extending the installment period from 10 to 20 years.

JOB CREATION INCENTIVE ACT

This legislation would encourage construction of new facilities and expansion of old facilities in areas experiencing unemployment in excess of 7 percent in order to increase employment opportunities in these areas. The increased construction would be encouraged by allowing very rapid amortization for non-residential buildings and capital equipment.

BROADENED STOCK OWNERSHIP

Tax incentives to encourage broader ownership of common stock by working men and women would be provided by this proposal. Taxes on funds invested in stock-purchase plans established by employers or directly by individuals would be deferred provided such funds are invested for at least 7 years.

CRIME CONTROL

AMENDMENTS TO THE CRIMINAL CODE

Amendments would provide for the imposition of a mandatory term of imprisonment in certain cases. A mandatory term of imprisonment would be imposed if the offender: (1) commits an extraordinarily serious crime involving kidnapping, aircraft hijacking, or trafficking in hard drugs; (2) commits a violent offense after previously having committed a violent offense. A separate amendment would provide mandatory prison sentences for anyone who uses a gun in the commission of a crime. This amendment would also ban the importation, manufacture, assembly, sale or transfer of cheap, easily concealable handguns (the so-called “Saturday Night Specials”).

NARCOTIC SENTENCING AND SEIZURE ACT OF 1976

This legislation would improve the ability of law enforcement officials to put traffickers of hard drugs into prison, take the easy profits out of drug trafficking, and improve the capacity of law enforcement officials to detect and apprehend drug smugglers. Major features of the proposal would require (1) minimum mandatory prison sentences for persons convicted of opiate (heroin and similar narcotic drugs) trafficking, (2) denial of bail to persons arrested

for opiate trafficking, (3) the forfeiture under certain conditions of negotiable instruments used or intended to be used in illegal opiate trafficking, and (4) masters of boats—including pleasure vessels—to report their arrival to Customs authorities within 24 hours.

CRIME CONTROL ACT

The Administration's proposal would extend the Law Enforcement Assistance Administration (LEAA) for five years, place LEAA under the general policy direction of the Attorney General, authorize LEAA to allocate up to \$50 million annually to high crime impact areas, eliminate provisions in current law which require maintenance of previous LEAA spending for juvenile delinquency programs at the 1972 level, and place special emphasis on improving the operation of State and local court systems. This legislation is designed to continue a vital Federal financial and technical assistance program to State and local governments so that they can improve their ability to enforce the law.

JUSTICE DEPARTMENT REORGANIZATION AND REFORM ACT

The proposed legislation would provide a constitutional means of helping curb corruption in Government. It would establish within the Department of Justice a permanent Office of Special Prosecutor, whose head would be appointed by the President with Senate confirmation, and a Government Crimes Section in the Criminal Division to investigate and prosecute job-related criminal violations of Federal law committed by any elected or appointed Federal Government officer or employee. A proposed Government Crimes Section in Justice would have responsibility for investigating criminal violations of Federal lobbying and campaign laws. This legislation would also require designated officers and employees of the Federal Government to file comprehensive annual financial statements.

SOCIAL SECURITY

SOCIAL SECURITY IMPROVEMENT AMENDMENTS

Two legislative proposals have been submitted to Congress to help insure a secure and viable Social Security system.

The "Social Security Amendments of 1976" would increase Social Security payroll contributions and thereby stop the immediate, short-term drain on the

Social Security trust funds—which are now expected to pay out about \$4 billion more in benefits each year than they take in.

The “Social Security Benefit Indexing Act” would correct a serious flaw in the method of computing benefits which, if left unchanged, would create severe long-range financial pressures on the trust funds. The two measures are necessary first steps to solve both the short and long-range financial problems of the Social Security system.

CATASTROPHIC HEALTH PROTECTION

MEDICARE IMPROVEMENTS OF 1976

The proposed “Medicare Improvements of 1976” is designed to provide greater protection against catastrophic health costs for the 25 million aged and disabled Americans eligible for Medicare. An estimated 3 million beneficiaries would pay less in 1977 as a result of the proposed annual limits of \$500 for hospital services and \$250 for physician services. The legislation would also provide for moderate cost-sharing for Medicare beneficiaries to encourage economical use of medical services and would slow down health cost inflation by putting a limit on Federal payments to hospitals and physicians.

BUSING

SCHOOL DESEGREGATION STANDARDS AND ASSISTANCE ACT

The purpose of this legislation is to maintain progress toward the orderly elimination of illegal segregation in public schools while preserving community control of schools. The legislation would set guidelines for Federal courts concerning the use of busing in school desegregation cases. It would require that courts determine the extent to which acts of unlawful discrimination have caused a greater degree of racial concentration in a school or school system than would have existed otherwise and to confine the relief provided to correcting the racial imbalance caused by those unlawful acts. The legislation would also limit the duration of court-ordered busing, generally to a period of no longer than five years.

GENERAL REVENUE SHARING AND BLOCK GRANTS

GENERAL REVENUE SHARING: EXTENSION AND REVISION OF THE STATE AND
LOCAL FISCAL ASSISTANCE ACT

This proposal would extend and revise the highly successful general revenue sharing program which expires on December 31, 1976. The program would be extended for five and three-quarters years, and the current method of funding with annual increases of \$150 million would be retained. The basic revenue sharing formula would be retained but the existing per capita restraint would be eased. Civil rights and public participation provisions would be strengthened while reporting requirements would be made more flexible.

FEDERAL ASSISTANCE FOR COMMUNITY SERVICES ACT

This proposal would improve and strengthen the program of social services established under Title XX of the Social Security Act. The \$2.5 billion provided annually by the Federal Government would be distributed as a block grant to the States, with no requirement for State matching funds. Most Federal requirements and prohibitions on the use of Federal funds would be eliminated. Services to low-income Americans would be emphasized; Federal funds would be focused on those whose incomes fall below the poverty income guidelines.

FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION

This proposal would consolidate 24 programs of Federal assistance to State and local education agencies for non-postsecondary education purposes into one block grant. Three-quarters of the Federal support would have to be used for disadvantaged and handicapped students, with greater flexibility for States to target funds among programs in accordance with their own priorities. Administrative requirements on the States would be greatly reduced through reduction of Federal regulations and simplification of reporting procedures, and public participation would be required in the State planning process.

FINANCIAL ASSISTANCE FOR HEALTH CARE ACT

This proposal would consolidate Medicaid and 15 categorical Federal health programs into a single \$10 billion block grant to the States. The proposal is designed to overcome some of the most serious defects in the present system of Federal financing of health care and to permit States to meet their citizens'

health needs in a more effective manner. It would achieve a more equitable distribution of Federal health dollars among States, and eliminate the present State matching requirements. It would also reduce Federal red tape, give States greater flexibility in providing for delivery of health care services to those with low income, and expand public participation in health planning.

CHILD NUTRITION REFORM ACT OF 1976

This proposal would establish a single comprehensive block grant to provide Federal funds for States to feed needy children. It would consolidate into a single authority the fifteen complex and overlapping child nutrition programs currently administered by the Department of Agriculture. This new approach would concentrate Federal spending on the nutritional needs of poor children, while eliminating the substantial Federal subsidies now provided for non-needy children. It would also ease the heavy administrative burden being imposed on State and local governments by the complicated requirements and inflexible mandates of the present programs.

REGULATORY REFORM

AGENDA FOR GOVERNMENT REFORM ACT

The Agenda for Government Reform Act would authorize a major review of Federal regulatory activities. It would require the President, over a four-year period, to submit specific proposals to the Congress for the reform of Federal regulatory activities affecting certain sectors of the American economy (e.g., transportation, agriculture, public utilities, etc.). It is designed to produce reforms to guarantee that government policies do not infringe unnecessarily on individual choices and initiative nor intervene needlessly in the marketplace, to find better ways to achieve our social goals at minimal economic cost, to insure that government policies and programs benefit the public interest rather than special interests, and to assure that regulatory policies are equitably enforced.

AVIATION ACT OF 1975

The Aviation Act is designed to provide consumers better air transportation services at a lower cost by increasing real competition in the airline industry, removing artificial and unnecessary regulatory constraints and ensuring continuance of a safe and efficient air transportation system. It would introduce and foster price competition in the airline industry; provide for the entry of new

airline service; eliminate anti-competitive air carrier agreements; and ensure that the regulatory system protects consumer interests rather than special industry interests.

MOTOR CARRIER REFORM ACT

The Motor Carrier Reform Act would benefit the consuming public and the users of motor carrier services by eliminating excessive and outdated regulations affecting trucking firms and bus companies. It would stimulate competition in these industries, increase their freedom to adjust rates and fares to changing economic conditions, eliminate restrictions requiring empty backhauls, underloading, or circuitous routing, and enhance enforcement of safety regulations.

FINANCIAL INSTITUTIONS ACT

The Financial Institutions Act is intended to remove Federal restrictions on the interest rates and services banks and savings and loan associations can offer to the public. It is designed to offer more competitive returns to small savers and a more diversified range of services to all banking customers.

ENERGY

NEW NATURAL GAS DEREGULATION

This bill is designed to reverse the declining natural gas supply trend as quickly as possible and to insure increased supplies of natural gas at reasonable prices to the consumer. Under the proposal, wellhead price controls over new natural gas sold in interstate commerce would be removed. This action will enable interstate pipelines to compete for new onshore gas and encourage drilling for gas onshore and in offshore areas.

ALASKAN NATURAL GAS TRANSPORTATION SYSTEM

This bill was designed to expedite the selection and construction of a system for the transportation of natural gas from the North Slope of Alaska to the lower 48 States through the establishment of new administrative and judicial procedures. The bill is necessary because of expected prolonged litigation of any Federal Power Commission decision and to assure that all necessary considerations are brought to bear in selecting a system. The bill would enable reaching a decision on this vital issue by no later than October 1, 1977 while still providing adequately for the detailed technical, financial and environmental

studies that must be completed to assure a decision in the public interest, with participation by both the Congress and the Executive.

NUCLEAR FUEL ASSURANCE ACT

This legislation would authorize the Energy Research and Development Administration to enter into cooperative agreements with private firms wishing to finance, build, own and operate uranium enrichment plants and authorize work on an addition to a government-owned enrichment plant. Existing capacity is fully committed. Additional capacity is needed to meet domestic demands for fuel for commercial nuclear powerplants and to enable the U.S. to maintain its position as a leading world supplier of nuclear fuel and equipment for peaceful purposes. This legislation would permit a transition to a private competitive uranium enrichment industry, ending the government monopoly and avoiding the need to spend Federal funds for capacity that can be provided by private industry.

COMMERCIAL PRICING FOR URANIUM ENRICHMENT SERVICE

This legislation would permit the Energy Research and Development Administration (ERDA) to revise the basis for establishing its prices for uranium enrichment services to domestic and foreign customers. It would enable ERDA to include cost elements in its price which should be associated with a commercial-industrial activity (e.g., provisions for taxes, insurance, and return on equity). The bill would end an unjustifiable subsidy by the taxpayers to domestic and foreign customers.

SYNTHETIC FUELS

The Administration supports legislation to amend the Energy Research and Development Administration's existing authorities to provide \$2 billion in loan guarantees during 1977 for the commercial demonstration of synthetic fuel production from coal, oil shale, and other domestic resources. A total of \$6 billion in loan guarantees is expected to be necessary over the 1976 to 1978 period in order to reach the 1985 objective of 350,000 barrels per day of synthetic fuel production capacity. With the enactment of the Energy Independence Authority legislation these ERDA projects will be transferred to the Energy Independence Authority.

WINTERIZATION ASSISTANCE ACT

This proposal would establish within the Federal Energy Administration, a grant program for States to assist low income persons, particularly the elderly,

in winterizing their homes in order to reduce the long-term consumption of energy. The combined savings in fuel, estimated to be thousands of barrels a day, would not only lessen America's dependence on imported fuels, but would also lower heating bills of low-income persons and families.

BUILDING ENERGY CONSERVATION STANDARDS ACT OF 1975

This proposal would establish thermal (heating and cooling) efficiency standards for all new homes and commercial buildings to conserve energy. It is anticipated that this program will save the equivalent of 350,000 barrels of oil per day in 1985. Standards would be promulgated by HUD and primary responsibility for enforcement would be with State and local governments through building codes.

UTILITIES ACT OF 1975

This bill is designed to help restore the financial health of electric utilities. It would eliminate undue regulatory lags involved in approving proposed rate changes and assure that rates adequately reflect the full cost of generating and transmitting electricity. Though many States have already adopted similar programs, enactment of the bill will establish certain standard regulatory procedures across the Nation, resulting in more equitable treatment of utilities.

FEDERAL ENERGY ADMINISTRATION EXTENSION ACT

The Administration has proposed a simple extension of the Federal Energy Administration for 18 months. This will provide the continuity needed to insure FEA's ability to implement the complex programs contained in the Energy Policy and Conservation Act of 1975 and to adequately administer oil price controls.

ENERGY INDEPENDENCE AUTHORITY OF 1975

This Act would establish a \$100 billion Energy Independence Authority, a self-liquidating corporation designed to encourage the flow of capital and provide financial assistance, through loans and loan guarantees, to private enterprise engaged in the development of energy sources and supplies important to the attainment of energy independence but which would not otherwise be financed.

This bill also seeks to expedite and facilitate the Federal regulatory and licensing process and to hasten the commercial operation of new energy technologies subsequent to the research and development phase.

NUCLEAR POWERPLANT SITING AND LICENSING PROCEDURES

This legislation is intended to shorten and improve the licensing process for nuclear facilities by allowing licensing procedures for reactor sites and standardized reactor designs to be completed at an earlier point in time. It would require the Nuclear Regulatory Commission to assure expeditious reactor siting and licensing hearings consistent with the public safety, exclude from consideration any issue which has either been decided or which could have been raised and decided in previous proceedings, and coordinate planning and scheduling of siting and licensing procedures with State agencies.

ELECTRIC POWER FACILITY CONSTRUCTION INCENTIVE ACT

This legislation is designed to provide tax incentives to stimulate the construction of new electric power generating facilities other than petroleum fueled generating plants. Construction costs of electric utilities would be reduced through changes in the investment tax credit and allowances for amortization and depreciation. These provisions would encourage utilities to reactivate their plans for the construction of nuclear plants and coal-fired plants that were cancelled or deferred in 1974 and 1975.

ENERGY FACILITIES PLANNING AND DEVELOPMENT ACT

This bill is designed to expedite the development of energy facilities. The Federal Energy Administration would be required to develop a National Energy Site and Facility Report with appropriate Federal, State, industry and public input. Information in this report would be utilized by the Federal Government, the States and industry in developing and implementing plans to insure that needed energy facilities are sited, approved and constructed on a timely basis. At the Federal level, FEA would be responsible for coordinating and expediting the processing of applications to construct energy facilities.

NATURAL GAS EMERGENCY STANDBY ACT

This legislation would provide a limited exemption from the regulation of natural gas in interstate commerce. It would grant the Federal Power Commission authority to allow companies which transport natural gas in interstate commerce to meet the natural gas requirements of their high priority users by purchasing natural gas (a) from sources not in interstate commerce and (b) from other companies on an emergency basis free from the provisions of the Natural Gas Act, except for reporting requirements.

CLEAN AIR ACT AMENDMENTS

The Administration favors legislation which would stabilize auto emission standards at the levels specified by EPA for model year 1977 for three years and imposes stricter standards for two years thereafter. With respect to significant deterioration and stationary source standards, changes are needed to achieve a better balance among environmental, energy and economic needs.

DEFENSE

Proposed changes to the Defense budget will be transmitted to the Congress in a separate message. These changes will include revised authorization and appropriation requests. These changes will:

1. Request approval of vital Defense programs deleted in Congressional action thus far.
2. Request deletion of unneeded increases the Congress added to the Defense program.
3. Request approval of a series of legislative proposals which would produce major economies without impairing our national defense capabilities.

In addition to changes in the Defense budget, the Congress should enact the following legislation.

MILITARY CONSTRUCTION APPROPRIATION AUTHORIZATION, FISCAL YEAR 1977

This legislation authorizes fiscal year 1977 appropriations for new construction for Defense, the military departments and the Reserve Components. On July 2, 1976, H.R. 12384 was vetoed because it contained a provision which would have seriously restricted the Executive's ability to carry out certain military base closures and reductions. Congress should reenact this otherwise acceptable legislation without the objectionable base closure provision.

UNIFORMED SERVICES RETIREMENT MODERNIZATION ACT

The Administration's legislation proposes substantial revisions to the uniformed services nondisability retirement system designed to increase its effectiveness both as an element of the compensation system and as an element of the personnel management system. These revisions would be phased in gradually with appropriate provisions for saved-pay. Major features of the proposal include:

- increased multipliers for members with long service (over 24 years).
- an early retirement annuity for members who retire short of a full career

- (less than 30 years) with an increased annuity when they would have reached 30 years of service.
- use of the highest average basic pay for one year instead of terminal basic pay in computing retirement annuities.
 - integration of military and social security retirement benefits at age 65.
 - payments to both voluntary and involuntary separatees who leave before completing 20 years of service.

RESTRAINT ITEMS REQUIRING PERMANENT LEGISLATION

1. Wage Board pay reform.
2. Phase out commissary direct labor subsidy.
3. Eliminate 1% “kicker” from retired pay adjustment computation.
4. Eliminate administrative duty pay for Reserve and National Guard Commanders.
5. Reduce the number of annual paid drills for the National Guard.
6. Eliminate dual compensation of Federal employees for National Guard and Reserve annual training.
7. Revise cadet and midshipman pay policy.

INTERNATIONAL

BRETTON WOODS AGREEMENT ACT AMENDMENTS

This legislation would authorize the United States to accept fundamental amendments to the Articles of Agreement of the International Monetary Fund. The amendments to the Articles generally concern: members’ exchange arrangements; reduction in the role of gold in the international monetary system; changes in the characteristics and uses of the special drawing right; and simplification and modernization of the Fund’s financial operations and transactions. The bill would also authorize the United States to consent to an increase in its quota in the Fund equivalent to 1,705 million Special Drawing Rights.

PROTECTION OF INTELLIGENCE SOURCES AND METHODS

This legislation is designed to protect intelligence sources and methods from unauthorized disclosures. It provides for criminal and civil sanctions against those who are authorized access to such intelligence information and who reveal it to unauthorized persons. The bill contains provisions to prevent damaging disclosures of intelligence sources and methods in the course of prosecution and also includes safeguards to adequately protect the rights of an accused.

Injunctive relief would be provided in those instances in which unauthorized disclosure is threatened and serious damage to intelligence collection efforts would result.

FOREIGN INTELLIGENCE SURVEILLANCE ACT

This legislation is designed to ensure that the Government will be able to collect necessary foreign intelligence while at the same time providing assurances to the public that electronic surveillance for foreign intelligence purposes will not be abused. The proposed bill would provide a procedure for seeking a judicial order approving the use, in a particular case, of electronic surveillance to obtain foreign intelligence information. It also would establish standards that must be satisfied before any such order could be entered. The bill follows the framework of existing law governing such surveillance undertaken for criminal law enforcement purposes, with appropriate adjustments to meet the special needs and purposes of foreign intelligence investigations.

EXPORT ADMINISTRATION ACT EXTENSION

This legislation would extend the Export Administration Act from September 30, 1976, to September 30, 1979. The Act authorizes the President to regulate exports of U.S. goods and technology to the extent necessary to protect the domestic economy from an excessive drain of scarce materials, to further the foreign policy of the United States and to control exports when necessary for purposes of national security. The Administration also has requested that the maximum civil penalty under the Act be raised from \$1,000 to \$10,000 and that criminal penalties be raised from \$10,000 to more meaningful levels.

FINANCIAL SUPPORT FUND

This legislation would authorize the President to accept membership for the United States in a new, \$25 billion Financial Support Fund agreed to by the Organization for Economic Cooperation and Development (OECD). The Fund would be available for a period of two years to provide short- to medium-term financing to participating OECD members faced with extraordinary financing needs. The proposal for the Fund was developed as part of a comprehensive response to the economic and financial problems posed by severe increases in oil prices.

The Administration's proposal would permit U.S. participation in the Fund by authorizing the Secretary of the Treasury to issue guarantees. The bill would authorize appropriations of such sums as are necessary to meet obliga-

tions on guarantees issued by the Secretary but not to exceed an amount equivalent to approximately \$7 billion.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD), INCREASED
UNITED STATES PARTICIPATION

This legislation would authorize the Secretary of the Treasury as the United States Governor to the IBRD (World Bank) to vote for an increase of \$8.4 billion in the authorized capital stock of the Bank. It would also authorize him to subscribe, on behalf of the United States, to an additional 13,005 shares of capital stock and authorize appropriations of approximately \$1.57 billion for the increase in United States participation.

IMPLEMENT AGREEMENT BETWEEN THE UNITED STATES AND TURKEY

This proposed joint resolution would approve the new Defense Cooperation Agreement with the Government of Turkey and authorize the President to implement the Agreement.

ECONOMIC COERCION ACT OF 1975

This proposal would prohibit any business enterprise from using economic means to coerce any person or entity to fail to do business with or otherwise to discriminate against any United States person on the ground of race, color, religion, sex or national origin. The prohibition would be enforced by civil actions brought by aggrieved persons or by the Attorney General.

INCREASED PARTICIPATION IN THE ASIAN DEVELOPMENT FUND

This legislation would authorize appropriations of \$50 million which would permit the United States to make the first of three scheduled contributions to a multi-donor replenishment of the Asian Development Fund.

AGRICULTURE

U.S. GRAIN STANDARDS ACT AMENDMENTS

The Administration proposed a bill to amend the United States Grain Standards Act to improve the grain inspection system. Specifically, the bill would:

—retain the Federal, State and private grain inspection system now in effect, but authorizes USDA to perform original inspection on an interim basis during suspension or revocation proceedings against an official inspection

- agency, or where other qualified agency or person is not willing or able to provide service;
- authorize USDA to conduct monitoring activities in foreign ports for grain officially inspected under the Act;
- eliminates the potential for conflict of interest from the present grain inspection system;
- require official inspection agencies to comply with certain training, staffing, supervisory and reporting requirements;
- provide for the suspension or revocation of official inspection agencies for violation of the Act;
- provide for the triennial designation of all official inspection agencies; and,
- require the payment of grain inspection fees which would make the program largely self-supporting.

FEDERAL CROP INSURANCE ACT

The Administration proposed a bill to amend the Federal Crop Insurance Act and to repeal the disaster payment provisions for feed grains, cotton, and wheat under the Agriculture Act of 1949. The proposed amendments would permit the Federal Crop Insurance Corporation to offer insurance on a nationwide basis on feed grains, cotton, and wheat and thus provide the producers of those commodities with protection from the financial losses attributable to crop failures. It would also permit the Corporation to reinsure policies written by private insurance companies thereby expanding the availability of this valuable service. This program would save an estimated \$250 million in government outlays annually and place the cost of and responsibility for maintaining crop insurance on the producers who would benefit from it.

RESTRUCTURE AGRICULTURE CONSERVATION PROGRAM

The Administration proposed a bill to update the conditions under which the Federal Government provides financial assistance to agricultural producers for needed soil, water, woodland, and wildlife conservation and environmental enhancement measures on agricultural lands. Specifically, the bill would:

- provide for financial assistance to those agricultural producers *who are financially unable* to fully carry out needed conservation practices; and,
- limit financial assistance* under the Act to *enduring type* practices, pertaining to soil, water, woodland, and wildlife conservation on agricultural lands and *emphasize long-term agreements* as opposed to *annual or short-term* conservation practices.

ENVIRONMENT

FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS

The 1976 amendments proposed to the Act would affect future funding of the waste water treatment grant program. They would focus Federal funding on the construction of treatment plants and associated interceptor sewers; eliminate the eligibility of that portion of each project designed to serve reserve capacity for future population growth; and authorize the Administrator of EPA to extend the July 1, 1977 deadline for compliance with secondary treatment and water quality standards on a case-by-case basis for periods not to exceed six years. In addition, extensions of appropriation authorizations were proposed for FY 76 and FY 77.

COMPREHENSIVE OIL POLLUTION LIABILITY AND COMPENSATION ACT

The Comprehensive Oil Pollution Liability and Compensation Act of 1975 would establish a \$200 million domestic fund which would be available to compensate individuals who suffer damages from oil spills in U.S. waters. The bill would create a uniform nationwide system of strict liability for oil spill damages and a standard procedure for settlement of claims. It would also implement two international conventions which deal with oil pollution caused by tankers on the high seas.

INCOME ASSISTANCE

NATIONAL FOOD STAMP REFORM ACT

This proposal would concentrate food stamp program benefits on those truly in need, significantly improve program administration, and correct abuses and inequities of the current program. A standard deduction would replace the present set of complex itemized deductions; eligibility would be limited to those whose net income is below the poverty level; families would be required to spend 30 percent of household income for stamps; a more realistic measure of actual income over the preceding 90 days would be used to determine eligibility; categorical eligibility for public assistance recipients would be eliminated; and able-bodied recipients would be required to seek, accept, and retain gainful employment.

WORK INCENTIVE (WIN) PROGRAM AMENDMENTS OF 1976

The purpose of the Work Incentive (WIN) program is to help recipients of Aid to Families with Dependent Children (AFDC) shift from welfare to self-support through employment. The proposed WIN amendments would redesign the program to help more AFDC applicants and recipients move into the mainstream of the economy with greater efficiency and less cost to the taxpayers. It would revise WIN to ensure that employable AFDC applicants and recipients in WIN areas are exposed to job opportunities, and will actively search for and accept suitable jobs. The legislation would extend to AFDC applicants the employment services presently provided only to AFDC recipients—i.e., direct placement and labor market exposure—and would terminate the less effective work and training components of the WIN program.

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) AMENDMENTS OF 1976

This proposal would simplify the administration of the Aid to Families with Dependent Children (AFDC) program and focus the resources devoted to this program on the most needy. For example, it would standardize the disregard for work-related expenses, thereby eliminating one of the troublesome inequities of the AFDC program, and it would eliminate the dual work registration requirement for unemployed fathers which would remove an extra burden on the individual and reduce administrative work. It would also require that an applicant for AFDC under the unemployed fathers program apply for and accept any unemployment compensation benefits to which he is entitled. Currently, as a result of a Supreme Court decision, an individual who is eligible for unemployment compensation benefits has the option of applying for either unemployment compensation benefits or AFDC benefits. An individual's first recourse should be to unemployment benefits for which his employer has contributed and to which he is entitled.

LOW INCOME HOUSING CONTRIBUTIONS

This proposal would amend the definition of "income" used in determining eligibility and maximum rental charges under the low-income public housing program, to conform the criteria used in public housing to those used in the lower-income housing assistance program under section 8 of the United States Housing Act of 1937. Present law provides for a number of exclusions from income, among which are exclusions for minor children, extraordinary medical or other expenses, and a flat deduction of 5 percent of the family's gross income

(10 percent in the case of elderly households). The amendment would require exclusions only for the number of minor children in the household and for the extent of medical or other unusual expenses. This would promote equity between tenants and public housing authorities and between tenants and Federal taxpayers.

UNEMPLOYMENT COMPENSATION AMENDMENTS

This proposal would expand coverage under the regular unemployment insurance system to additional groups of workers and would make urgently needed changes to strengthen the financing of the system. The permanent extended unemployment insurance program would be made more responsive to changes in the economy. A National Commission on Unemployment Compensation would be established to comprehensively study the system and proposed changes, and make recommendations for further improvements.

VETERANS

MEDICAL INSURANCE FOR VA HOSPITAL CARE

Many veterans who receive free medical care at VA hospitals have health insurance. This proposal would require the insurance companies to reimburse the VA for hospital care provided to veterans who do not have disabilities resulting from active military service. The proposal reflects the Administration's belief that the Federal taxpayer should not bear the cost of treating people with no service-connected disabilities when to do so will benefit only third parties, including insurance companies, who are legally liable for the disability or injury necessitating such treatment.

TERMINATION OF VETERANS EDUCATIONAL BENEFITS

This proposal would terminate VA education benefits for those men and women who decide in the future to enter the peacetime All-Volunteer Force. The educational assistance programs for veterans, from their inception, were designed as readjustment benefits for those who served during wartime. They were never intended to be a continuing benefit and both the World War II and Korean conflict GI Bill programs were terminated within a reasonable period after the cessation of hostilities. The Vietnam conflict officially ended in May 1975; the draft, in June 1973. With the advent of a peacetime, All-Volunteer Force, GI Bill educational benefits are no longer appropriate for those who enter military service in the future.

OTHER

INDEMNIFICATION OF SWINE FLU MANUFACTURERS

This proposal is essential to implementation of the National Influenza Immunization Program. Current law bars the Federal Government from agreeing to indemnify vaccine manufacturers for losses from injuries which may result from the Federal Government's activities in the immunization program. The Administration proposal would enable HEW to agree to indemnify the manufacturers against claims attributable to inoculation with the vaccine, except claims arising out of the negligence of the manufacturer.

STUDENT LOAN AMENDMENTS

This proposal would correct certain abuses in the Federal guaranteed student loan program that have resulted in high default rates under that program. Specifically, the proposal would amend Title IV of the Higher Education Act to eliminate proprietary schools as eligible lenders, and amend the Bankruptcy Act to make student loans nondischargeable in bankruptcy during the five-year period after the first installment becomes due. The proposal would also prohibit borrowers who default on guaranteed loans from receiving a basic educational opportunity grant or any further guaranteed loans.

FEDERAL IMPACT AID AMENDMENTS OF 1976

This bill would reform the impact aid program by targeting funds only on those school districts that are truly adversely affected by Federal activities. It would provide support to local education agencies only for those children whose parents both live and work on Federal property. These people do not pay property taxes, and the Administration believes that the Federal Government has a responsibility to help pay the cost of educating their children, but not to help pay the costs of educating other children whose parents pay local property taxes.

COMPREHENSIVE HEALTH PROFESSIONS EDUCATION ACT

The Administration's proposal would provide Federal support to those medical and dental schools that agree to meet certain conditions. Unlike prior programs of Federal assistance which were directed toward increasing the aggregate numbers of doctors and dentists in the Nation, the Administration proposal would shift the emphasis of Federal support for health professions schools from merely increasing enrollments to addressing national problems of medical

specialty and geographic maldistribution. The proposal is designed to produce more primary care physicians and to provide greater access to health professionals.

HIGHER EDUCATION ACT AMENDMENT AND EXTENSION

This bill would extend for four years those higher education programs which have demonstrated their effectiveness in meeting the post-secondary education needs of the Nation. The bill would extend the most effective student assistance programs, namely, the basic educational opportunity grant program, the work-study program, the State student incentive grant program, and the guaranteed student loan program. Programs to strengthen developing institutions and the Teacher Corps program would also be extended. The bill would also simplify and clarify the requirements relating to accreditation and institutional eligibility.

CLOSURE OR TRANSFER OF PUBLIC HEALTH SERVICE HOSPITALS

This proposal is one of several Administration initiatives designed to reform Federal financing and direct delivery of health care. It would authorize HEW to transfer to community use or close the eight Public Health Service hospitals which are underutilized and which essentially serve only one occupational group. The proposal reflects the conclusion that maintenance of a Federal hospital system for some 200,000 merchant seaman is an inappropriate and inefficient use of resources, particularly in light of low hospital occupancy rates, the excess supply of hospital beds, the availability of alternative health care facilities, and the substantial capital investment which would be required to continue operation of the hospitals.

REPEAL THE 1-PERCENT ADD-ON IN THE COST-OF-LIVING ADJUSTMENT OF THE CIVIL SERVICE RETIREMENT SYSTEM

Federal civilian and military retirement systems automatically increase benefits to compensate for changes in the Consumer Price Index (CPI). Since 1969, these automatic adjustments have included a 1% add-on which has been compounded with each subsequent CPI adjustment. This bill would eliminate the 1% add-on provision in the civil service retirement law which has been progressively over-compensating Federal retirees for changes in the cost of living. The Congress has passed legislation to eliminate the 1% add-on in the military, foreign service, and CIA retirement systems, but only if it is also eliminated for the civil service retirement system.

WAGE BOARD PAY REFORM

The basic principle governing Federal blue-collar employees' pay rates is that they should be comparable with prevailing rates and pay practices in the non-Federal sector in the same locality. This bill would eliminate aspects of present law governing wage board pay rates that are inconsistent with that principle and therefore result in Federal blue-collar workers earning more than their counterparts in the private sector. Among other things, the bill would eliminate use of wage rate data from outside the local area involved. It would also eliminate the present requirement for each grade to have five steps, and would substitute a step-rate structure that would accord with the predominant industry practice.

INCREASED AUTHORIZATION FOR CERTAIN SMALL BUSINESS LOAN PROGRAMS

This legislation would increase the total amount of loans, guarantees, and other obligations which the Small Business Administration (SBA) may have outstanding at any one time. These revised ceilings will permit SBA to increase the number of loans made to those small businesses who otherwise would be unable to obtain credit in the private sector.

FEDERAL PROCUREMENT ACT

A number of recommendations made by the Commission on Government Procurement—including proposals to consolidate the basic Federal procurement acts and modernize the provisions for awarding contracts—would be implemented by this bill.

REORGANIZATION ACT EXTENSION

This proposal would extend the President's authority to submit plans for the reorganization of executive agencies to the Congress. This authority expired on April 1, 1973. The legislation is designed to restore the authority necessary for the President to propose reorganization in order to foster both efficiency and flexibility in the structure of the Executive branch.

STOCKPILE DISPOSAL

This legislation would authorize disposal from the national stockpile and supplemental stockpile of industrial diamond stones, antimony, tin, and silver. The amounts of these four materials recommended for disposal are in excess of adequate stockpile requirements, and their sale would result in estimated receipts of \$746 million in fiscal year 1977.

PATENT MODERNIZATION AND REFORM ACT

This legislation would substantially strengthen the American patent system by improving the strength and reliability of issued patents through procedural reforms in the patent examination and issuance process. It would also simplify procedures for obtaining patents, make more complete and precise the disclosure of information about technology contained in patents, and add new provisions concerning enforcement of patents.

WINTER OLYMPIC GAMES ASSISTANCE

This legislation would authorize Federal financial assistance for the construction of certain permanent, unique sports facilities needed for the 1980 Winter Olympic Games at Lake Placid, New York. The total amount of special Federal assistance under both existing authorities and this legislation would not exceed \$28 million plus the financing of certain increases in construction costs.

These are important legislative proposals dealing with matters of the National interest, and I urge the Congress to move with dispatch to enact them.

GERALD R. FORD

The White House,
July 22, 1976.

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**Statement on Congressional Enactment of the Public
Works Employment Act of 1976. *July 22, 1976***

I AM keenly disappointed by the action of the Congress in enacting, over my veto, the so-called Public Works Employment Act of 1976.

The Congress has badly misjudged the real public interest in enacting this bill. What the Congress is saying in effect is that:

—It is not sufficiently concerned about the risks of double-digit inflation.

—It would rather create \$4 billion worth of temporary, Government-funded jobs than let those same dollars go to work in the private sector to produce real, rewarding, lasting jobs.

—It wants the Federal Government to borrow yet another \$4 billion from the private sector.

—It is willing to fund jobs at a cost of \$25,000 apiece for each year of temporary employment created.

—And it would rather have the Federal Government borrow and spend yet another \$4 billion than enact my proposed \$10 billion added tax cut which would help all of our people.

My concern about our unemployed citizens is second to none. But that concern strengthens my resolve to do everything I can to keep our economy on the strong, stable growth path we are now on—a path that does not risk a return to double-digit inflation and another deep recession. My concern does not and will not stampede me into embracing unwise legislation.

It is my hope that the Congress, on reflection, will agree with my views and not insist on providing funds to carry out this program. If it does insist on going ahead with this program, there will be no real winners but there will be real losers: the American people.

NOTE: On July 22, 1976, the bill (S. 3201) was enacted over the President's veto as Public Law 94-369 (90 Stat. 999).

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Statement on Progress Made Toward Federal Paperwork Reduction. *July 23, 1976*

LAST FALL, I directed the departments and agencies of the Federal Government to reduce the number of repetitive Federal reports by 10 percent no later than July 1 of this year. OMB Director James T. Lynn, who has been carrying out this directive, has confirmed this morning that our goal has not only been reached but exceeded.

As of October 31, 1975, the departments and agencies of the executive branch subject to the Federal Reports Act were employing 5,148 reports to collect information from the public. Today, there are a total of 4,504 forms in use. That reduction of over 600 forms represents a net cut of 12.5 percent and a very important first step toward reducing the Federal burden on the American people.

I might note that several agencies in the Government that are not subject to the Federal Reports Act have also made significant progress. At the Treasury Department, the Internal Revenue Service has achieved a net reduction of 724 forms, or a 31-percent cut, and the Bureau of Alcohol, Tobacco and Firearms has marked up a 25-percent cut in its reporting system. Among the independent

regulatory agencies, the Civil Aeronautics Board has cut its reporting forms by 26 percent.

Ordinarily, this news today would be warmly welcomed, but we shouldn't try to fool anybody. Many of the forms that have been abolished, while infuriating to those who had to fill them out, are minor in character; the biggest, most intricate forms remain in existence and must still be cleaned up.

More importantly, as we have proceeded during the past year in cutting the number of Federal reports, the estimated number of hours required to respond to Federal reports has actually increased.

Greater usage of the uniform Settlement Statement (HUD) and the additional reporting associated with the Employee Retirement Income Security Act (Department of Labor) added over 6,400,000 hours to the reporting burdens placed on American people—especially American business—during this same period. This development is totally unsatisfactory. The people of this country want and deserve a break from the growing suffocation of Federal paperwork.

In my meeting with the Cabinet and agency heads this morning, I have therefore directed that we set two new goals for ourselves:

—First, I am directing the departments and agencies subject to the Federal Reports Act to cut their total reporting requirements by 7 million hours by the end of fiscal year 1977, a 5-percent reduction.

—Second, I am asking for the recommendations of those departments and agencies for ways that we can cut the reporting requirement by an additional 20 million hours by the end of fiscal year 1978, an additional 15-percent cut. This extra time would permit legislative proposals to be made, enacted, and implemented to help reach our goals.

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Letter to the Chairman of the House Subcommittee on Health and the Environment on the National Swine Flu Immunization Program. *July 23, 1976*

Dear Paul:

I want to convey to you once again the strong commitment of this Administration to a National Influenza Immunization Program.

Almost four months ago to the day, I announced the initiation of this program after a panel of the country's top health, medical and scientific leaders unanimously recommended to me that we move forward. Those leaders con-

vinced me that a strain of virus, popularly known as "swine flu", could threaten the health of our citizenry unless a massive, extraordinary program of national inoculations was immediately undertaken.

I requested a special appropriation of \$135 million from the Congress to ensure the production and distribution of sufficient swine-type influenza vaccine. I was gratified by the rapid response of the Congress in acting on my request and I signed it into law on April 15.

Since that time we have made significant progress toward our goal of making this vaccine available to all Americans before the onset of an influenza season this fall. Nearly 90 million doses of vaccine have already been produced; organizational efforts at the state and local levels for delivery of inoculations are well advanced; voluntary groups have been identified, briefed, and organized; and results of the largest pre-certification clinical field trials ever performed are very positive for the safety and effectiveness of the vaccine.

Despite these accomplishments, however, we now face a growing problem in making this public health program available to the American people.

Secretary Mathews reported to me yesterday afternoon that the providers of liability insurance for the vaccine manufacturers continue to resist our efforts to work out an agreement to provide insurance through normal commercial channels. It is their position that the inordinate size of this program makes it difficult if not impossible to accurately assess, and thereby reasonably insure, the potential hazards of administering the vaccine to everyone.

Although experience indicates that there is a very low risk of untoward reactions to influenza vaccine, we will continue to pursue an agreeable compromise with these companies. Without essential product liability coverage, the vaccine manufacturers are unwilling to release the vaccine for use in this national program. Secretary Mathews reported to me that unless this liability problem is resolved in the next few days, the manufacturers will terminate their production of swine flu vaccine. All of us would be derelict in our responsibilities to the American people if this program comes to a screeching halt.

In anticipation of just this situation, I directed Secretary Mathews on June 16 to submit legislation to the Congress to enable the government to assume a proper share of risks for the program, but not those resulting from negligence of the manufacturer. This measure is still under consideration by the Congress, but further delay, regardless of the reason, could result in the failure of this program to meet this essential public health need for all Americans.

I share the concern of the Congress that the vaccine manufacturers and in-

surers be held accountable. But my first concern is that a safe and effective vaccine be available to all Americans who want it during the flu season.

I am pleased that the Health and the Environment Subcommittee of the House Interstate and Foreign Commerce Committee will hold another hearing on this important matter. I urge you to act immediately on my legislative proposal. We cannot accept the fact that the health of all Americans can be placed in jeopardy by a failure to take action on this important legislation.

While we await Congressional action—and I trust that the Congress will act quickly with due regard for the Nation's health and safety—I have directed Secretary Mathews to ask for the cooperation of the manufacturers again to ensure that they do not terminate their production of this vital vaccine while negotiations continue.

In conclusion, let me reiterate a single point: The threat of swine flu is very genuine. Data from both the scientific and medical communities support the need for an inoculation program. Clinical tests conducted to date show that the vaccine is both safe and effective. There is no excuse now to let this program—a program that could affect the lives of many, many Americans—bog down in petty wrangling. Let's work together to get on with the job.

Sincerely,

GERALD R. FORD

[The Honorable Paul G. Rogers, Chairman, Subcommittee on Health and the Environment, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C. 20515]

NOTE: This is the text of the letter presented to Chairman Rogers by Dr. Theodore Cooper, Assistant Secretary for Health, Department of Health,

Education, and Welfare, during his testimony before the subcommittee.

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Remarks at the Annual Convention of the National League of Families of American Prisoners and Missing in Southeast Asia. *July 24, 1976*

Carol Bates, Congressman Sonny Montgomery, distinguished guests, ladies and gentlemen:

It is a very high honor and a very great privilege to meet once again with this courageous assembly of Americans whose loved ones remain unaccounted for in Southeast Asia. You have borne a very heavy burden with incredible courage. Every citizen in this country admires your bravery, your dignity, and your persistence.

Through long, long months and years of trial, you have been sustained by the love of your missing men and by your love of the country those men defended. I am proud of you, and I am proud of your men. But my admiration is not enough; the gratitude of this Nation is not enough. You and your loved ones must be assured of a continuing commitment from your Government to obtain a full accounting of those missing in action or still listed as prisoners of war.

Let me reemphasize this from me, as well as from your Government: This is a firm, unequivocal commitment; it is a longstanding commitment; it is still an active commitment, and for me, as I said a moment ago, it is a very personal commitment, and that is why I am here tonight.

When I came home from the Pacific, roughly 30 years ago, I joined—as many of us did—several veteran organizations. And then, a short time later, I had the good fortune to become a Member of the House of Representatives. During my service as a Member of the House of Representatives, I can recall vividly working on MIA problems on an individual, a case-by-case basis, during both the Korean and the Vietnam conflicts.

As a Congressman, as many of you know, I met with members of the National League of Families here in Washington and back home in my community of Grand Rapids, Michigan. I did not forget you then, and I have not forgotten you now.

One of my very last meetings as Vice President was a meeting with your board of directors. A year ago, as President, I attended this convention and shortly thereafter met with your board of directors in the Cabinet Room in the West Wing of the White House. Let me assure you, we are employing every effective means to account for your loved ones. Let me assure you, without any hesitation or reservation, that I will continue that effort.

We must be honest with ourselves. This is a frustrating, painstaking, difficult process. It is a tragic fact—and it makes me, as well as you and millions and millions like you, very, very sad—that every missing man or information concerning that individual may never be available, regardless of any superhuman effort by the most and the best in our Government.

Furthermore, as all of you know, we are dealing with a Government that has demonstrated very little concern for your feelings. The Vietnamese claim to have established agencies to search for the missing, but thus far they have withheld this information, totally without justification.

We have offered to carry out the searches ourselves or to enlist a neutral government or the Red Cross in this humanitarian search. Thus far, none of

these offers have been accepted. But we will persist; we will keep trying as long as we have any hope whatsoever, and I promise you that.

We are willing to talk with the Vietnamese. At my direction, we have exchanged messages with them, indicating our willingness to discuss outstanding issues in our two countries. We have made clear that our primary concern is to obtain an accounting for our servicemen who are missing in action. Without a satisfactory solution of the MIA issue, no further progress in our relations is possible.

I know that many of you are deeply concerned about declassification of information relating to MIAs. Several months ago, I discussed in depth this problem with the members of my staff and directed that progress be made in that regard. And I have been informed that progress has been made. But let me reemphasize, there will be continuing progress in this regard.

Everyone in this room has demonstrated a strength, has demonstrated a resolve which makes you equal to the burdens that you are carrying. Your courage has been an inspiration to me and to millions of your fellow citizens. Your loved ones have not been forgotten. You have not been abandoned. I promise you I will not rest until the fullest possible accounting of your loved ones has been made.

Thank you very much.

NOTE: The President spoke at 8:51 p.m. in the Presidential Ballroom at the Statler Hilton Hotel. In his opening remarks, he referred to Carol Bates,

executive director of the National League of Families of American Prisoners and Missing in Southeast Asia.

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Remarks Upon Signing the Coastal Zone Management Act Amendments of 1976. July 26, 1976

Secretary Richardson, distinguished Members of the House and the Senate, Frank Zarb, and guests:

It's a great privilege and pleasure to have you all here this morning. And I especially wish to thank the Members of the Congress for working on this legislation and cooperating with the administration in putting together what I think is very excellent legislation.

I am here this morning with all of you to sign into law the Coastal Zone Management Act Amendments of 1976. These amendments include many of the principal elements of the proposal that I sent to the Congress in February,

which were designed to assist communities significantly affected by the development of federally owned energy resources.

These amendments will provide a basis for long-term planning by the coastal States, so that they can better balance the needs for energy development, urban growth, of resource conservation, and recreational use. These amendments also include a good balance between Federal, State, and local interests in the very sensitive areas of coastal land and water uses and energy development.

By creating a coastal energy impact program with funds of \$1.2 billion over the next 10 years, we recognize a national responsibility to help coastal States and communities that are affected as we speed up exploration and production of oil and gas from the Outer Continental Shelf. At the same time, these amendments rightly limit the extent to which the Federal Government will become involved in decisions that should be made at State and local levels.

I see this bill as a very encouraging sign for the future, first, because it represents the kinds of progress that can be made when the Congress and the administration work together—and I repeat what I said at the outset, I am very grateful for the cooperation of both the House and the Senate—and second, because it shows that two issues high on our national agenda—the need for energy and the need for environmental protection—can indeed be reconciled.

So, it's with pleasure that I have the opportunity of signing this bill this morning and thank all of you for coming on this fine day for a rather historic occasion.

Thank you all very, very much.

NOTE: The President spoke at 11:15 a.m. at a ceremony in the East Garden at the White House. In his opening remarks, he referred to Elliot L. Richardson, Secretary of Commerce, and Frank G.

Zarb, Administrator of the Federal Energy Administration.

As enacted, the bill (S. 586) is Public Law 94-370 (90 Stat. 1013).

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Statement on Signing the Coastal Zone Management Act Amendments of 1976. *July 26, 1976*

I AM pleased to sign into law today S. 586, the Coastal Zone Management Act Amendments of 1976. This legislation fills a critical need in the development of our domestic energy resources and the improved management of the Nation's valuable coastal zones.

The bill recognizes a national responsibility to assist coastal States and communities that will be affected by the accelerated exploration and production of

oil and gas from the Federal Outer Continental Shelf. It incorporates for coastal States the principal elements of the Energy Development Impact Assistance Program, which I recommended to Congress in February of this year.

Specifically, the bill creates a Coastal Energy Impact Program with an authorization level of \$1.2 billion over the next 10 years. The principal form of the assistance will be loans and loan guarantees to assist communities in developing the additional public facilities needed to cope with the expanding population associated with new OCS and coastal-dependent energy activities. In addition, Federal grants are authorized to assist States and communities in planning for these impacts, in ameliorating unavoidable environmental losses, and in providing public facilities and public services for limited time periods to the extent adequate credit under the bill is available.

The legislation has been carefully designed to ensure that Federal assistance is limited to those situations where the assistance is needed, and only for those specified projects or activities directly related to increased coastal energy activity. Clearly, the national taxpayer should not be asked to underwrite costs normally covered by ordinary State and local taxes; similarly, the energy industry should bear its normal tax load and the usual costs of doing business.

Under the bill, loans and loan guarantees will be provided for public facilities needed because of new or expanded coastal energy activity, in recognition that such facilities would normally be financed through State and local bonding. Grants for public facilities can only be used if the Secretary of Commerce finds that the loans and loan guarantees are not available. Grants may also be used for planning and for the prevention, reduction, or amelioration of unavoidable environmental losses if the Secretary determines that the loss is not attributable to, or assessable against, any specific person and cannot be paid for through other Federal programs.

The bill also appropriately limits the extent to which the Federal Government will become involved in decisions that should be made at State and local levels. The individual States and localities will determine whether their principal need is for schools, roads, hospitals, new parks, or other similar facilities. The Secretary of Commerce will have responsibilities which are limited to those areas where Federal involvement is necessary.

Prior to the disbursement of funds, the Secretary of Commerce must make certain that States which are entitled to receive loans or grants will expend or commit the proceeds in accordance with authorized purposes and that Federal loan grants will not subsidize public services for an unreasonable length of time. The Secretary must also determine, prior to the disbursement of funds, that

particular environmental losses cannot be attributed to identifiable persons and that grants for public facilities are used only to the extent that loans or loan guarantee assistance is not available.

The Secretary of Commerce will act expeditiously to implement the energy development impact provisions so that we can accelerate OCS energy development to meet our Nation's energy needs in an environmentally responsible manner and to work closely with the 30 coastal States which are now participating in the Coastal Zone Management Program.

It is appropriate that this new program, established by this major innovative piece of legislation, is being signed in the first year of our Nation's third century. The issues of energy and our environment—to which this bill is directed—will surely be high on our Nation's list of priority concerns throughout the decades ahead.

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Remarks of Welcome to Prime Minister J. Malcolm Fraser of Australia. July 27, 1976

Prime Minister Fraser, Mrs. Fraser, ladies and gentlemen:

In this Bicentennial Year the United States has been honored to welcome the leaders of many, many friendly nations, and we are especially and particularly pleased that the Prime Minister of Australia has come to Washington, D.C., our Nation's Capital.

Australia is especially close to the hearts of Americans throughout our country. The American and Australian people share common roots, common similarities, and the strongest affinities. We hold in common a devotion to the preservation of liberty not only in our own countries but throughout the world. We share great responsibilities for assisting the emergence of a more just and stable international order.

Mr. Prime Minister, our countries have long been allies in war as well as in peace. We have worked together to support other free nations and to improve the condition of less fortunate people. Our two Governments have a tradition of close consultation that will be continued in our meetings today.

Australia is assuming increased responsibilities on a worldwide basis. Its positions on international issues have not been narrowly confined to self-interest, but have taken on a wider view that we share in this country. We respect this friendly and independent voice across the Pacific. We welcome Australia's

important contribution to stability and progress in the Pacific region and in the world at large.

Mr. Prime Minister, you are deeply conscious of the need to preserve a global balance among the great powers. We sincerely appreciate Australia's support for our foreign policy. We assure you that the United States will remain a strong and faithful ally, worthy of Australia's trust.

Australia—its Government and its citizens—have done much to celebrate the American Bicentennial. Festivals have been held in Australia, performers have come to the United States, and Australia will endow a chair of Australian studies at Harvard University. We thank you, and all Australians, for those warm expressions of friendship.

Mr. Prime Minister, you are a very welcome visitor to our Nation's Capital. I look forward to my discussions with you and the continuing close relationships with Australia and its people, our natural friends and allies in every sphere of life.

NOTE: The President spoke at 10:37 a.m. on the South Lawn at the White House where Prime Minister Fraser was given a formal welcome with full military honors. Prime Minister Fraser responded as follows:

Mr. President, my wife and I thank you for your most warm and moving welcome to Washington. It is now 6 years since I was last in the United States, and it is good to be back in this Bicentennial Year.

Mr. President, the Revolution that you are celebrating this year was a great triumph for the then radical idea that man could be free, that a free people could not only survive and work together but that they could create a better society than had existed in the world before.

It is from your Revolution that we traced the birth of our own nation in 1788. Our two countries have traveled far since that time. We have both demonstrated the vitality and strength of democracy. We have both been able to build societies which are just and which enshrine freedom.

That we have similar ideals is not a matter of mere coincidence. America's independence and its subsequent development as one of the world's great civilizations has been an inspiration and an example, especially to younger nations such as my own. In this Bicentennial Year it is a debt to which we are pleased to pay tribute.

Like you, we value our independence. We do not expect others to assume our responsibilities. Over time, however, our paths have come to run, to an

increasing extent, in parallel. Comradeship-in-arms on a number of occasions has been the basis for a closeness, the sharing of purpose which has, I feel, been to the benefit and comfort of both our countries.

Over the last 30 years, it has fallen to the United States to provide leadership for the Western World. You have our continuing support in this difficult role. For the sake of world peace and for the ideals we share, it is essential, Mr. President, that this leadership continue, and Australia has every confidence and knowledge that it will.

We live in a world that continues to hold many dangers and challenges to human dignity. Many countries are confronted by appalling problems of poverty, hunger, disease. The developed countries face their own problems of inflation and unacceptably high rates of unemployment. These are challenges to be faced together, contributing wherever we can to their just and practical solution. In responding to them, the world will look, as it has so often in the past, to the United States to play a prominent role.

It is in recognition of this, and the determination that Australia will play its full part, that I make this journey to the United States in this Bicentennial Year.

Mr. President, I look forward to my discussions with you and other members of your Government and to the opportunity to be among the American people on this occasion. Thank you very much, Mr. President, for your hospitality.

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Statement on Signing the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1976. July 27, 1976

I HAVE signed into law S. 3184, a bill which would extend and expand the authorities for providing Federal assistance to States and communities for alcohol prevention and treatment programs. I have done so because I am concerned about the serious problems of alcoholism and drug abuse in this country, which this bill attempts to address.

We need to find new ways to prevent alcoholism and drug abuse and to assist the rehabilitation and cure of the victims of these cruel diseases. In extending the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, S. 3184 continues the State grants on alcoholism and provides special new authorities for Federal research on alcoholism.

In approving this legislation, however, I must register my concern that this is far from the best way to reduce the tragic toll of alcoholism and alcohol abuse.

S. 3184 is based on a policy of perpetuating the maze of categorical Federal health programs and adding even more to the Federal requirements in these programs. This approach is a disservice to those who need effective delivery of health care and to those who must pay the bills—the taxpayers.

In my 1977 Budget, I proposed a consolidation of 16 existing Federal health programs, including grants for alcohol prevention and treatment programs, into a single block grant which would enable States and localities to assure that people in need receive comprehensive health care.

The Congress has, however, not seen fit even to hold hearings on my proposal. That proposal is based on the proposition that Federal regulation of programs should be reduced and more reliance should be placed upon State and local governments in analyzing the problems and determining priorities for spending the taxpayers' money. The Congress refusal to consider this approach is irresponsible.

Fewer Federal programs and a reduction in the number of rules and regulations accompanying each of them would allow States and local governments to respond more quickly and sensibly to the health needs of their residents. Consolidation of funding into a single block grant with a more equitable distribution formula would better direct Federal health assistance to those most in need

throughout the Nation. The mountain of Federal requirements and redtape imposed upon States and localities prevents them from using limited health resources in the most effective way and adds needlessly to administrative costs.

I urge the Congress to enact my proposed Financial Assistance for Health Care Act. I firmly believe that is the right way to meet our health needs and the sound way to develop health systems that work for the American people.

In the meantime, I have signed S. 3184 so that in the interim assistance will be provided for these important programs.

NOTE: As enacted, the bill (S. 3184), approved July 26, 1976, is Public Law 94-371 (90 Stat. 1035).

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Remarks and a Question-and-Answer Session With Reporters on John Connally's Endorsement of the President for the Republican Presidential Nomination. *July 27, 1976*

I HAVE a very old and very good friend. I have known John Connally since 1961, when he was Secretary of the Navy and I was on the Mahon subcommittee.¹ He was an outstanding Secretary of the Navy. I followed his political career as Governor of the State of Texas for three terms. He came down to be Secretary of the Treasury. I have had a number of opportunities to work with him as the minority leader of the Republican Party in the House of Representatives.

Over the years John Connally and I have not only had a professional relationship in a political sense but we have also been close personal friends. We have had a number of meetings over the last 2 years, and we had a meeting this afternoon that followed in the natural course of events. He was in town, and I asked him to stop by.

I think Governor Connally has an announcement that may be of some interest to you, and I want to thank him for what I think he is going to say.

MR. CONNALLY. Mr. President, you don't know exactly what I am going to say because I am not sure I do myself, except that I came to tell the President that notwithstanding my neutrality in the Presidential primaries all spring, I think the time has now come when no useful purpose is to be served by my maintaining that position. But rather, the best interests of the country will be served by my stating my unequivocal position that I do support President Ford for the

¹ Representative George H. Mahon of Texas, chairman of the House Defense Appropriations Subcommittee.

nomination and will support him in the election with every resource that I have and all the ability that I have.

I am delighted to make that announcement, and I just hope that I can be helpful to him in securing the nomination. And I certainly hope that I can contribute something as a Republican in the effort to win the Presidency in November and to capture additional seats in the Congress, in both the House and the Senate.

REPORTER. How about getting on the ticket?

MR. CONNALLY. That subject was not discussed today. I do not know what the President proposes with respect to his running mate. He has not told me. He has not hinted who it might be. I have not asked him, nor will I ask him.

Q. Did Mr. Reagan's announcement yesterday have anything to do with your announcing this today?

MR. CONNALLY. Yes, Governor Reagan's announcement yesterday does have something to do with my announcement today, only in the sense that I think it is quite clear that as between the two men it is quite clear now that the President is unmistakably the better choice, not only for the party but for the country. And so his announcement yesterday certainly does have something to do with my statement today.

Q. Mr. President, would you like to have the Governor on the ticket with you as the Vice-Presidential candidate?

THE PRESIDENT. I said repeatedly that I don't exclude any potential Republicans as my Vice-Presidential running mate. I have indicated my long association and great respect for Governor Connally. But I think it is premature to make any comment because there are others, of course, that I will talk to as I have talked to Governor Connally on this occasion.

Q. But his announcement here today certainly does not hurt his chances, does it?

THE PRESIDENT. We'll let the future speak for itself.

MR. CONNALLY. May I add to that? My statement here today has nothing to do with the chances—good, bad, or indifferent—so far as I am concerned. I am doing this because I think I should do it. I think the time has come when I think we ought to try to end this nomination as quickly as we possibly can, and I think it should be ended with President Ford being the nominee. The sooner that can be made clear, the better it is for the party and for the country.

NOTE: The President spoke at 3:50 p.m. at the entrance to the West Wing Lobby at the White House.

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Statement on the Settlement of the Cannery Strike in California. July 27, 1976

I AM pleased that an agreement has been reached between the 29 cannery workers of California's fruits and vegetables and the Council of Cannery and Food Processing Unions, ending the 8-day strike.

This dispute has been the most costly, in terms of crops lost, in the history of the California food processing industry. Each passing day is critical. I am hopeful that workers will return to their jobs as soon as possible.

I appreciate the efforts of all of those who contributed to the successful conclusion of this dispute. Secretary Usery, Secretary Butz, and James Scarce, Director of the Federal Mediation and Conciliation Service, have again demonstrated exemplary public service.

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Toasts of the President and Prime Minister J. Malcolm Fraser of Australia. July 27, 1976

Mr. Prime Minister, Mrs. Fraser, ladies and gentlemen:

It is a very special pleasure for me to welcome you tonight, the Prime Minister of one of America's closest friends, one of our closest allies, Australia.

Americans and Australians have traditionally enjoyed a very special and a very natural rapport, but this year the Government and the people of Australia have gone to extraordinary lengths to demonstrate their friendship in helping us celebrate in America our Bicentennial. Let me say without hesitation or qualification, we, as Americans, are most appreciative of your many gestures of good will and generosity toward us.

Mr. Prime Minister, though the United States is 200 years old this year, it is still a new country in spirit, in outlook, in aspirations. And it would be my observation, so is Australia. Both Australia and the United States were frontier countries with vast open spaces, abundant natural resources. These factors influenced the way our nations developed and the way we moved in similar directions.

We also share important values and vital institutions. The British traditions of individual civil liberties and the rule of law were ingrained in both your people

as well as in ours. Each of us created our own governmental institutions, influenced by the British parliamentary system. The United States and Australia are both federations of states founded originally as separate colonies. Each recognizes the limits of power of the central government.

Such close parallels in the development of our two countries have made Americans think of Australians as being like us, and we hope that this feeling is reciprocated. Obviously, Americans feel very much at home in Australia and with Australians. Nonetheless, Mr. Prime Minister, we fully recognize that Australia has its own interests, its own perceptions of the world, and its own role to play.

Our relations with your country have matured over the years to a new partnership of mutual respect. World War II brought both of us together in a time of trial. In 1951, we joined with New Zealand and signed the ANZUS Pact, or treaty. That treaty symbolizes the fundamental interests that we share. Since World War II, our cooperation in defense and international affairs has been unusually close. We have reinforced each other's security. We have promoted regional stability. And we have solidified the strength of the free world.

Mr. Prime Minister, your public statements and your conversations with me this morning made it very obvious that Australia and the United States are closer together than ever before. We understand, we respect your independent voice in world affairs, and we applaud you for it. On this basis our collaboration has even a greater meaning and a greater value. We both recognize that peace in this interdependent world will require even greater cooperation on economic and social questions.

Advanced democracies, such as our two countries, have crucial roles to play in strengthening the global economy and creating healthy, long-term relations between developed countries and the developing countries. We consider Australia an important partner in all common endeavors in this free world.

Mr. Prime Minister, our talks have enhanced the natural partnership between Australia and the United States. In the coming years, this partnership will make an ever-expanding contribution to peace and progress. I am absolutely certain that our governments will continue to work closely to meet the complex challenges our two nations will face inevitably in the years ahead.

Mr. Prime Minister, I raise my glass to the Queen, to the health of the Prime Minister of Australia, and to the continuation of Australian-American friendship.

NOTE: The President spoke at 10:25 p.m. in the Rose Garden at the White House. Prime Minister Fraser responded as follows:

Mr. President, thank you very much indeed for your invitation to my wife and myself and the Australian party to join you on this occasion. Thank

you for your generous hospitality and for the opportunity that it has given us to see America celebrating her Bicentennial.

We were delighted to have your Vice President and his wife in Australia a short while ago. During his visit we reaffirmed the friendship that has long existed between our peoples. And I would like to say, Mr. President, that your Vice President was a warm and gifted ambassador for your country, and the discussions we had were constructive and useful. Australians were delighted to have him amongst us, even though it was for a short while.

Earlier this year we were also delighted to welcome Mrs. Kissinger. And I would like also to express our appreciation to the Secretary for making himself so frequently and readily available—on one occasion, at least, I know at an inconvenient hour of the night—for discussions between my Foreign Minister and myself. Thank you very much, Doctor, for that.

I have noticed here and have been glad to see there are other people with associations with Australia, and there are Australians who are on your guest list, and I thank you for that. But there is one in particular, whom I won't name, who reminds me of a story once when somebody who is not here won the hearts of everyone who lives in Sydney when she said that Melbourne was the best possible place to make a film about the end of the world. [Laughter] Nothing could have done more for Sydney. I come from Melbourne. [Laughter]

Australians probably have more cause to celebrate the Bicentennial with you than any other country, Mr. President. If it had not been for your successful war of independence against the English, it is most unlikely that they would have settled Australia in the way that they did. [Laughter]

But that story is not quite finished because, Mr. President, while we have many things in common—and you have referred to a number of them—there is one thing which we have in common to which you did not refer. There were a certain number of citizens before your war of independence, undesirable citizens, who were sent to your shores. After your war of independence, a much larger number were sent to ours. But what we both need to remember—and this is the real bond perhaps that we have in friendship—is the great majority of those undesirable citizens remain to this day in England. [Laughter] My wife is under a pledge to prevent me telling that story in England. [Laughter]

Mr. President, I know I speak for many Australians here when I say how pleased we have been to make some contribution to your Bicentennial celebrations. We did have cause to be grateful for the United States, even in earlier days.

There are many who think that our beef trade is a

recent development and something to our advantage, but in 1972 the struggling colony of Port Jackson near Sydney received an important shipment from the American ship *Philadelphia*. The local crops had failed, and I think they were nearly starving. The voyage took 9 months, and by the time it arrived, the cargo of barrels of American beef were well cured. [Laughter] I can only assure you, Mr. President, that that is a trade that we wish to repay a thousand, a millionfold in the other direction. And I don't know if there are any members of the cattlemen's association here tonight. [Laughter]

Mr. President, Australia and the United States have many things in common—our frontier experience and the fact we are both migrant nations. We both value our independence and our democratic institutions, our ideals of freedom and opportunity. Our histories have taught us both that we have our freedom, not as a right, but only so long as we remain vigilant and resourceful. I know that in support of our ideals we will work together in the future as we have in the past.

In our countries the state is regarded as the servant of its people; in some others these values are set aside and the state is paramount. In the past, differences in values of these kinds have often led to conflict. The great challenge of the rest of this century will be whether or not countries with differing social systems can learn to live together and resolve their international differences by negotiation.

In the uncertain world that faces us, the need for cooperation is strong, and this is especially so because over recent years there has been criticism where I believe there ought to have been understanding. We are aware that there has been vigorous debate within the United States herself on her world role, but we believe that out of such debate emerges a stronger and a freer nation, one more able to provide the leadership that the world requires.

We appreciate the manner in which the United States has persisted. In future years the resolution of the American people is, in our view, going to be more important for securing the peace of the world than it has ever been. That is by no means to suggest that countries such as mine don't have their own responsibilities. Whatever some others may feel, I don't believe any Australian assumes that we are entitled to a free ride, not even on the sheep's back.

But your efforts are no reason why we should be complacent or negligent about our responsibilities. This is merely recognition that as the world's greatest free power there are many things that only the United States can do. If the United States does not do them, they will remain undone. Others may contribute, but your strength is indispensable in supporting the diplomacy and negotiation essential for

the building of peace. The fact that your nation attracts criticism at times in its international role is, in the Australian view, much less important than the fact that the task is done.

Mr. President, over the last 200 years there have been many revolutions, but whatever some other ideologies may claim from their revolution, yours is distinguished by its unequaled democratic character, by its purpose, and by its morality. The ideas contained in the Declaration of Independence still stir the hearts of men and women around the world. We can find in that Declaration of many years ago the philosophy of the best social reforms that have taken place in all the years since.

Mr. President, we know the great responsibility that rests on democratic leadership. That is one of the reasons why meeting the demands of the office you hold must be the most difficult but, at the same time, Mr. President, the most rewarding task in the world.

Your country has made an immeasurable contribution to world peace and to the ideal of liberty. There has never been a time when support of these ideals has required more dedication, greater commitment, more persistence than in the present.

My wife and I are honored to be here, and I ask you now to rise and drink the toast to the President of the United States.

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Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *July 28, 1976*

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose four rescissions totalling \$126.4 million in budget authority provided in the Second Supplemental Appropriations Act, 1976. In addition, I am reporting four new deferrals totalling \$334 million in budget authority.

Three of the proposed rescissions are for education programs of the Department of Health, Education, and Welfare. The other rescission proposal affects the child nutrition program of the Department of Agriculture. These funds are either not needed to accomplish program objectives or, in the case of \$3 million which would fund State school financing programs, would be used inappropriately to fulfill a State responsibility rather than a Federal responsibility.

Approval of these rescission proposals would (1) reduce Federal spending by \$126.4 million over the transition quarter, 1977, and 1978, and (2) provide the Congress with an opportunity to demonstrate its willingness to prevent unnecessary Federal spending even if this involves reconsidering earlier funding decisions.

One of the deferrals consists of \$4 million in construction funds for the Rogers Memorial Hospital in the District of Columbia. This deferral is reported to give Congress time to consider a request to reprogram the funds. The reprogramming that I will propose would allow all eligible medical facilities construction projects in the country an equal opportunity to compete for the funds. The

other three deferrals are reported because there will be delays in the use of available funds.

GERALD R. FORD

The White House,
July 28, 1976.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of August 2, 1976 (41 FR 32376).

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Joint Statement Following Meetings With Prime Minister J. Malcolm Fraser of Australia. *July 28, 1976*

AT THE invitation of President Gerald R. Ford of the United States of America, the Right Honorable Malcolm Fraser, M.P., Prime Minister of Australia, made an official visit to Washington on 27, 28, and 29 July. This was Prime Minister Fraser's first visit to the United States since assuming office. During his visit the Prime Minister held talks with the President, the Vice President, and cabinet secretaries, and met senior members of Congress. The Prime Minister and the President agreed that the visit reemphasized and strengthened the cordiality of the relationships between the Australian and American people, and reinforced the close ties between the two governments.

The President and the Prime Minister recognized that all nations should treat each other as equals despite differences in power, size and circumstances. The President expressed the view that there was a significant role for countries of Australia's material wealth and power in influencing opinion in the world. The President said that the United States intended to work closely with her friends and allies, with those of common philosophical commitment, to achieve a greater unity of purpose and understanding between such nations, large and small. In this respect the President and the Prime Minister agreed that relations between nations reflected more than factors of power. National interests, common principles, frankness of expression and mutual trust were also very significant in determining relations between nations. The President reaffirmed the determination of the United States to pursue a policy of peace through strength, to relax tensions where it was possible without sacrifice of interests or principles and to build a stable world order. The President and the Prime Minister agreed that shared democratic values and the goal of peace linked the international aims of Australia and the United States.

The Prime Minister expressed the belief that the United States had a unique leadership role and mission as the world's most powerful democracy. The President and Prime Minister agreed that the steady pursuit of that mission was essential for the stability and peaceful development of the nations of the world. The President noted the need for continuing close collaboration with friends and allies including Australia. The President and Prime Minister noted the importance of maintaining the cohesion and constancy of alliances in present international circumstances, and the importance of conventional forces in conditions of nuclear parity. In this connection they agreed on the desirability of maintaining the excellent record of consultation and cooperation that has characterized the ANZUS relationship. The President and the Prime Minister agreed on the political and strategic importance of the Indian Ocean to many countries including Australia and the United States. Noting the importance of achieving and maintaining an adequate balance, Australia supported United States efforts to upgrade the facilities at Diego Garcia. Both leaders expressed the hope that all parties concerned would exercise restraint in this key area.

The President and Prime Minister agreed that the sustained growth in the military capability of the Warsaw Pact countries beyond levels apparently justified for defensive purposes, to which the NATO countries had drawn attention, was a matter of concern not only in Europe but throughout the world. The Prime Minister gave the President an account of his recent visits to the People's Republic of China and Japan. He explained the great importance to Australia of its relationship with Japan and the steps taken during his visit to enhance the political and economic relationship and to forge closer links of understanding between the two peoples. The President and Prime Minister agreed that the close and cordial relationships Australia and the U.S. enjoy with Japan are essential to the continued stability, progress, and prosperity of the international community. They each pledged to maintain and strengthen those ties. The Prime Minister emphasized that widening communication between Australia and China and between China and many other countries, was of great importance. The President agreed that effective communication with and the involvement of the People's Republic of China are important to the promotion of peace and progress, and reaffirmed that the United States is determined to complete the process of normalizing its relations with the People's Republic of China on the basis of the Shanghai Communiqué.

The Prime Minister and the President reiterated the fundamental importance which their countries attach to their relations with Southeast Asian nations and noted the significance of ASEAN, the Association of Southeast Asian Nations,

as a stabilizing influence in the region. They reaffirmed an interest they share with ASEAN that no one power should dominate Southeast Asia.

The President and the Prime Minister discussed the current situation in the Middle East and Southern Africa. They expressed concern about the continuing instability in Lebanon. The Prime Minister commended the continued efforts of the United States in its search for a settlement in the Middle East. Both deplored the continuation of racial injustices in the minority-ruled countries of Africa, and condemned any practices which did not accord true dignity to all people as equals regardless of race.

In reviewing the world economic situation the President gave the Prime Minister an outline of discussions at the recent economic summit in Puerto Rico. They agreed that the United States and Australia, together with other industrialized democracies, must continue to pursue an economic strategy directed at achieving sustained economic expansion and a reduction in unemployment while not jeopardizing the common aim of reducing, and avoiding a new wave of inflation. This strategy would require the continued application of disciplined measures in the field of fiscal and monetary policies.

They recognized that a period of sustained non-inflationary growth in the major industrialized nations will make a major contribution to the economic progress of the developing countries. The President and the Prime Minister reviewed developments in the dialogue between the industrialized and developing nations and agreed on the need for a continued effort in the various international fora for a constructive long-term relationship of common benefit.

The President and the Prime Minister agreed that a more open international trading system was in the interest of both developed and developing nations, and stressed the need for increasing momentum in the Multilateral Trade Negotiations now being held in Geneva. They agreed that increases in trade opportunities, particularly in processed goods and agricultural products, would help to lift the standard of living in the developing countries.

The President and the Prime Minister had discussions about Australia's commercial relations with the United States. It was agreed that further progress in the trading relationship would be to the advantage of each country.

The Prime Minister gave the President an outline of recent changes in Australia's foreign investment policy. He indicated an increased need for foreign investment in Australia in partnership with Australian investors. He therefore welcomed such investment to help develop Australia's great national resources to the advantage of Australia and of Australia's trading partners.

The Prime Minister conveyed to the President the good wishes of the Austra-

lian people on the occasion of the American Bicentenary. The Australian Government was participating in a range of activities to celebrate the occasion. The Prime Minister said he was looking forward to his visit to Harvard University to inaugurate the Chair of Australian studies. He expressed the hope that this Chair would be used to advance understanding not merely between the United States and Australia but between both countries and other nations with different history, traditions and culture.

The President and the Prime Minister considered that their discussions had shown a very close similarity of view on a wide range of important international and bilateral matters and had further strengthened ties between Australia and the United States. The Prime Minister thanked the President and Mrs. Ford for the warmth of the welcome and the hospitality extended to him and to Mrs. Fraser and to members of his party.

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**Special Message to the Congress Reporting on a
Budget Rescission. July 29, 1976**

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of \$45 million in budget authority appropriated for payment to the Legal Services Corporation.

Approval of this rescission proposal will reduce Federal spending by \$45 million over 1977 and 1978. The proposed rescission would prevent unneeded expansion of Legal Services Corporation activities and delay greater geographic coverage until program evaluations are completed.

The details of the proposed rescission are contained in the attached report.

GERALD R. FORD

The White House,
July 29, 1976.

NOTE: The attachment detailing the rescission is printed in the Federal Register of August 3, 1976 (41 FR 32570).

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Message to the Senate Transmitting United States-Soviet Treaty and Protocol on the Limitation of Underground Nuclear Explosions. July 29, 1976

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Underground Nuclear Weapon Tests, and the Protocol thereto, referred to as the Threshold Test Ban Treaty (TTB Treaty), and the Treaty between the United States of America and the Union of Soviet Socialist Republics on Underground Nuclear Explosions for Peaceful Purposes, and the Protocol thereto (PNE Treaty). The TTB Treaty was signed in Moscow on July 3, 1974 and the PNE Treaty was signed in Washington and Moscow on May 28, 1976. For the information of the Senate, I transmit also the detailed report of the Department of State on these Treaties.

These Treaties together establish procedures for the conduct of all underground nuclear explosions by the United States and the Soviet Union. All nuclear explosions other than underground nuclear explosions are prohibited by the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (the Limited Test Ban Treaty) of 1963. The TTB Treaty and PNE Treaty are the first agreements since the Limited Test Ban Treaty to impose direct restraints on nuclear explosions by the Parties and, as such, contribute to limiting nuclear arms competition.

These two Treaties represent approximately two years of intensive effort. Negotiation of the TTB Treaty began in the Spring of 1974 and was completed in July of that year. However, the question of the relationship of underground nuclear explosions for peaceful purposes to limitations on nuclear weapon testing was not then resolved. As a result, Article III of the TTB Treaty provided that the Parties would negotiate and conclude an agreement governing underground nuclear explosions for peaceful purposes. Work on the PNE Treaty began in the Fall of 1974 and after six lengthy negotiating sessions was completed in April of 1976.

The TTB Treaty and the PNE Treaty are closely interrelated and complement one another. The TTB Treaty places a limitation of 150 kilotons on all underground nuclear weapon tests carried out by the Parties. The PNE Treaty simi-

larly provides for a limitation of 150 kilotons on all individual underground nuclear explosions for peaceful purposes.

During the negotiation of the PNE Treaty, the Parties investigated whether individual explosions with yields above 150 kilotons could be accommodated consistent with the agreed aim of not providing weapon-related benefits otherwise precluded by the TTB Treaty. The Parties did not develop a basis for such an accommodation, largely because it has not been possible to distinguish between nuclear explosive device technology as applied for weapon-related purposes and as applied for peaceful purposes. The Parties therefore agreed that the yield limitations on individual explosions in the two Treaties would be the same.

The TTB Treaty and the PNE Treaty contain numerous provisions to ensure adequate verification, including some concepts, more far-reaching than those found in previous arms control agreements, which are not only important in themselves but which will have significant precedential value as well. For example, the Limited Test Ban Treaty is verified only by national technical means. The TTB and PNE Treaties add requirements for exchange of specific information in advance to assist verification by national technical means, and the PNE Treaty establishes procedures for on-site observation under certain conditions on the territory of the Party conducting the explosion.

The TTB Treaty provides for an exchange of data on the geography and geology of nuclear weapon test sites as well as the yields of some actual weapons tests conducted at each site. The PNE Treaty requires that the Party conducting any underground nuclear explosion for peaceful purposes provide the other Party in advance with data on the geography and geology of the place where the explosion is to be carried out, its purpose, and specific information on each explosion itself. These requirements are related to the yield of the explosion and become more detailed as the magnitude of the explosions increase.

In addition to the limitation on individual nuclear explosions of 150 kilotons, the PNE Treaty provides for an aggregate yield limitation of 1.5 megatons on group underground nuclear explosions for peaceful purposes. A group explosion consists of substantially simultaneous individual explosions located within a specific geometrical relationship to one another. The Treaty provides for mandatory on-site observer rights for group explosions with an aggregate yield in excess of 150 kilotons in order to determine that the yield of each individual explosion in the group does not exceed 150 kilotons and that the explosions serve the stated peaceful purposes. The Treaty also provides for on-site observers for explosions with an aggregate yield between 100 and 150 kilotons if both

Parties agree, on the basis of information provided, that such observers would be appropriate for the confirmation of the yield of the explosion.

The TTB Treaty and the PNE Treaty, taken together as integrated and complementary components of this important limitation on nuclear explosions, provide that very large yield nuclear explosions will no longer be carried out by the Parties. This is one more useful step in our continuing efforts to develop comprehensive and balanced limitations on nuclear weapons. We will continue our efforts to reach an adequately verifiable agreement banning all nuclear weapon testing, but in so doing we must ensure that controls on peaceful nuclear explosions are consistent with such a ban. These Treaties are in the national interest, and I respectfully recommend that the Senate give its advice and consent to ratification.

GERALD R. FORD

The White House,

July 29, 1976.

NOTE: The treaty and accompanying papers are printed in Senate Executive N (94th Cong., 2d sess.).

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**Message to the Congress Transmitting Annual Report
of the United States Arms Control and
Disarmament Agency. July 29, 1976**

To the Congress of the United States:

As we celebrate our Bicentennial year, we are thankful that America is at peace. For the first time in many years, no American is engaged in combat anywhere in defense of our freedom. But we know that there are in the world forces hostile to freedom, and that to protect our security and the values we prize we must maintain our strength, our resolve, and our endeavors to safeguard peace.

To meet our responsibilities today we must deal with the problems of security in ways never dreamed of by our founding fathers. We must influence the policies of possible adversaries in two ways: by keeping our military forces strong, and by pursuing negotiations to create stability rather than a spiraling arms race in weapons of incalculable destructiveness.

In both these endeavors, there are grounds for confidence. We have and will

maintain a strategic relationship with the Soviet Union which preserves our security. At the same time, we will continue to pursue arms control agreements that lessen the danger of war and serve to promote a stable and peaceful international order. We are negotiating with the Soviet Union, with the Warsaw Pact countries, in the multilateral Geneva-based Conference of the Committee on Disarmament, and in the United Nations. We are mindful that many difficult questions remain to be solved, but I can report that steady progress has been made.

On May 28 I signed the Treaty on Underground Nuclear Explosions for Peaceful Purposes which has now been submitted to the Senate together with the related Threshold Test Ban Treaty. Both treaties represent genuine progress in the two-decade struggle to halt nuclear weapons testing.

In the current phase of the Strategic Arms Limitation Talks, we and the Soviet Union have made considerable progress since the Vladivostok meeting. Most of the elements needed for final agreement are already agreed. Certain issues are still unsettled but we will continue our effort to resolve them in a way that protects the interests of both sides, and enables us to complete a new SALT agreement on the basis of the Vladivostok accords.

In negotiations to reduce forces in central Europe, both the NATO and the Warsaw Pact nations have made new proposals. Through these negotiations we hope to achieve a more stable military balance in central Europe at lower levels of forces. And in the Conference of the Committee on Disarmament, the United States and the Soviet Union have tabled identical draft texts of a convention to outlaw environmental modification techniques for hostile purposes.

The Administration has undertaken a vigorous action program to strengthen the barriers against further proliferation of nuclear weapons. We have moved to increase the effectiveness of the Non-proliferation Treaty and the International Atomic Energy Agency. Controls on American exports of nuclear materials and sensitive technology have been made even more rigorous. The United States has taken an important initiative to establish new cooperation with the other major nations supplying nuclear equipment and technology, and a common understanding has been reached on principles and standards governing nuclear exports.

These are tangible evidence of progress. This fifteenth annual report of the U.S. Arms Control and Disarmament Agency sets forth in detail and perspective the advances that have been made and the difficult, essential work that

must still be done. My Administration remains dedicated to continued and determined efforts for the control and balanced reduction of armaments.

GERALD R. FORD

The White House,
July 29, 1976.

NOTE: The 238-page report is entitled "Arms Control Report, 15th Annual Report to the Congress July 1976—U.S. Arms Control and Disarmament Agency."

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Remarks at the First Annual Banquet of the Republican National Hispanic Assembly. July 29, 1976

Thank you very much, Fernando. My good friend, the minority leader of the House, Congressman John Rhodes, Congressman Manny Lujan, Ben Fernandez, distinguished members of the administration, guests, and ladies and gentlemen:

It's wonderful to be here tonight, and I thank you from the bottom of my heart for your very warm and friendly welcome. Obviously, I am honored to be here with the Republican National Hispanic Assembly in this month of our national Bicentennial, when we are giving special recognition to our rich national heritage—including our Hispanic heritage.

America's recognition of its Hispanic components involves much, much more than history itself; it includes your vital and growing role, as well as contribution, at all levels of leadership of the United States of America—our country. Your organization has provided an inspiration—and results, I might say—for men and women of Hispanic origin. With your help we have done much, a great deal to mobilize the great wealth of talent and dedication of Hispanic Americans in our Federal Government. And I am especially proud of your contributions, your dedication, your leadership.

In recognition of our mutual desire to increase the number of Hispanic Americans in leadership positions, I am particularly proud in this administration to have appointed many of those that I see here tonight. But as I look across the room, I see not only those who have been appointed and recognized in the past, but I am very pleased to introduce some of my most recent Hispanic appointees. You are proud of them, just as I am.

First, my new Special Assistant for Hispanic Affairs at the White House, Tom

Aranda, Jr. Tom, where are you? If you have any trouble in the White House, call Tom. [*Laughter*] We hope you have no reason to call him, and we will try to avoid it, but that's his job. And we are proud to have you on board, Tom.

My new Assistant Secretary of the Department of Interior, Albert C. Zapanta. I think most of you recognize that the Department of Interior has vast responsibilities, and I can assure you that we have great faith in the fine job that Albert will do. Congratulations.

We have two diplomatic appointments: Phil Sanchez, he's our new Ambassador to Colombia, a very important post—and congratulations, Phil—and Ignatio Lozano, whom I have nominated to be our Ambassador to El Salvador. It, likewise, is a position of responsibility and an area where we must have a greater and greater influence and interest. And I am sure that both of these two outstanding appointees will do a fine job—and the very best.

And, of course, we have Sam Martinez. Where is Sam? There he is. Sam, of course, came from Denver, and we brought him to Washington to fill a very important post. And I am confident that this very difficult, very vital position of responsibility as Director of the Community Services Administration will be in excellent hands with Sam's experience and ability and dedication. Thank you very much, Sam, for coming to Washington.

I think these appointments plus the others that have been made is very indicative that this administration wants a vigorous involvement of Hispanic Americans in governing our Nation. Just as you need more advocates in government—and we are seeking to achieve and to accomplish that—America needs more Hispanic representatives in Congress like my good friend Manuel Lujan, of the great State of New Mexico.

I would like to thank Congressman Lujan for not only his help and assistance when I was the minority leader—and I know he is doing the same for Congressman John Rhodes—but to thank him for the extraordinary effort that he made under the most difficult circumstances when we had a State convention down in the State of New Mexico. Manny, I think that your efforts will be vindicated in several weeks.

But let me say that our common goal is to make life better for the Hispanic community in the United States by assuring a number of very broad but very important rights, such as the full voting rights; by improving the standard of living for all; expanding the educational opportunity, particularly the quality education, including bilingual programs; by including greater participation in the minority business enterprise program; and by continuing our successful efforts to reduce inflation and unemployment for all Americans. These are

programs that have a special focus and a particular interest to all of you, but they improve the quality of life and the betterment for all of us throughout this country.

Several months ago, as some of you may recall, I issued orders that resulted in speeding up the naturalization proceedings for new citizens from Cuba¹—and I might add parenthetically, we're monitoring that to see that the greater number of employees produces more results. But, nevertheless, on a broad scale I strongly welcome the growing political involvement and vigorous and talented efforts by new Americans at all levels of government—State, local, as well as Federal.

On a broader basis involving an issue where all of you are interested and I'm certainly deeply concerned, let me say in the following several sentences what this administration stands for. My administration will continue a policy of friendship toward the people, and I underline the people, of Cuba. But, I add very emphatically, we will not accept intervention by the Fidel Castro regime in the affairs of other countries. We will not accept the counsel of those who would give in to Fidel Castro. And let me illustrate by another example: The free choice of the Puerto Rican people will be vigorously defended. My administration and the Government of Puerto Rico view any outside intervention into Puerto Rican affairs as an unfriendly act. We shall strongly resist any such intervention.

Freedom of choice is precious not only for the Puerto Ricans but for all Americans. After 200 years of freedom, we are approaching another day when the American people again give their consent to be governed and choose their elected representatives.

I call upon all Hispanic Americans to join me in my campaign to achieve a greater realization of that wonderful American dream. I think you know where I stand. You know who I am. You know my record in our National Government—a record that I am glad to say you helped to achieve. Let us go on working together, as partners, to obtain full participation for all citizens in the political process. I ask your help—I need your personal involvement—to complete the work of the last 2 years.

Hispanic genius, Hispanic energy, Hispanic pride, and the Hispanic dedication have strengthened our political system. You have advanced our goals in the best interests of the highest aspirations of all Americans.

I need your abilities and your skills for America and for the Republican Party. The Republican Party is a channel for a new era of Hispanic involve-

¹ See Item 148.

ment, from California and the Southwest, from Florida, from New York, from Arizona, and from all over this great land.

We are united here today to preserve the principle of America and dedicated to continuing our progress next January. And I think in the words of Cervantes, "*Todavía no habéis visto nada*," which translated as I understand it, "You ain't seen nothing yet."

NOTE: The President spoke at 9:34 p.m. at the Mayflower Hotel. In his opening remarks, he referred to Fernando Oaxaca, Associate Director for Manage-

ment Operations, Office of Management and Budget, and Ben Fernandez, chairman of the Republican National Hispanic Assembly.

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Remarks at a Republican Party Reception in Jackson, Mississippi. July 30, 1976

LET ME thank all of you, Clarke, and all of the others, on behalf of Betty and myself, for the very wonderful experience we have had since we have been in Jackson today.

I had a very good give-and-take with the delegation that is going to Kansas City. I answered a good many questions and, I hope, satisfactorily. But I was most impressed with the quality of the people that are representing the Republican Party at Kansas City from the State of Mississippi.

Let me talk for just a minute, if I might, about what I think we must do between now and Kansas City and what we must do from Kansas City to November 2. And bear in mind there is just 73 days between the end of the convention in Kansas City and November 2. So, we have to have a plan that will ensure the success of the philosophy that we all believe in, because that day of November 2 will make a great deal of difference as to what will be the policy of this country, both at home and abroad, for the next 4 years.

I am going to take a very affirmative stance and a very vigorous campaign throughout the country. I believe that for the last 2 years, since I became President, we have done a good job. We have done a good job in restoring the confidence of the American people in the White House, itself.

It is almost fortuitous that it is practically 2 years to the day that I was here in the great city of Jackson, Mississippi, helping to campaign for one of your outstanding Republican Congressmen, Thad Cochran. Earlier that day, I had been up at the Golden Triangle ¹ and tried to be helpful for another Republican candidate, who wasn't successful, but later went down to Hattiesburg on

¹ An area in eastern Mississippi formed by the adjoining cities of West Point, Starkville, and Columbus.

behalf of Trent Lott, who was successful, and he is one of your fine Congressmen.

But in the 2 years since I became President, we not only have restored the trust of the American people in the White House itself, with a candid, straightforward approach that we have followed, but we have turned this economy around. And I think if you go back 24 months ago, this country was in serious economic trouble.

We have, through good policies, fiscal responsibility, despite the opposition that controls the Congress, where they have sought to pile one spending bill after another on the desk of the Oval Office—and incidentally, I vetoed 53 bills, 42 of them have been sustained—and the net result is we have saved the taxpayers of this country \$13 billion. And I might add parenthetically, if they send any more of those bills down with those wild spending programs, they will be vetoed again and again and again.

But we have also—not only in restoring confidence in the White House but in turning the economy around so everything that ought to be going up is going up and everything that ought to be going down is going down—but we have achieved peace. And we have the military capability and the diplomatic skill and strength to maintain the peace.

So, we will have an affirmative program going to the American people, saying, that for 2-plus years we have made great headway, but it is only the foundation for greater success in the next 4 years.

I think an affirmative approach is the way to win this election. But in addition, I firmly believe that as a candidate at the head of the Republican ticket we must add to the numbers of our Republican ranks in the Congress. We are outnumbered better than 2 to 1 at the present time. And if we are going to be affirmative for the next 4 years, we have to add to those on our side of the aisles good people who believe as we do, who will fight for those things that are going to keep the strength of this country, both at home and abroad.

But in addition, you might be interested in how I believe we can successfully take on our opponents. The Democratic nominee has embraced in toto the Democratic platform. That platform, if you read it very carefully, calls for a number of things that I don't believe coincide with the philosophy of the people of the great State of Mississippi.

I believe we can attack the leader of the Democratic Party in that he has embraced the voting record of the Democratic Congress. And if you look down that record, whether it is in excessive spending or legislation that will impose more and more regulations on the American economy or any one of the other areas

where I think the Congress has done badly, any candidate that embraces that legislative record is vulnerable, and he must be held to account.

A good many people have said to me, "Well, Governor Carter, what philosophy does he have?" I have not really been able to detect any uniformity in philosophy—[*laughter*]*—except when he selected Senator Mondale as his running mate and indicated there was a high degree of compatibility ideologically. [Laughter]* I think it identified very clearly that his views are those fundamentally of Senator Mondale. Some time—just for interesting reading—I suggest that you look at the voting record of Senator Mondale. I have some suspicion that that voting record would not coincide with the philosophy of the people of Mississippi.

So, to sum it up, we will campaign affirmatively and vigorously. We will identify the voting record, the philosophy of our opponents, and we will work to help elect more Republicans from the courthouse to the statehouse to the Congress. And I am absolutely convinced that we can win in November, and I will give 110 percent in that regard.

Betty and I again thank you all very, very much. We have just had a great time. We appreciate your hospitality.

NOTE: The President spoke at 6:05 p.m. in the Empire Room at the Ramada Inn. In his opening remarks, he referred to Clarke Reed, Mississippi State Republican chairman.

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Exchange With Reporters in Jackson, Mississippi.

July 30, 1976

WE HAD a wonderful day and, I think, a very successful one.

REPORTER. Do you think you have got the Mississippi delegation now in your chest pocket, Mr. President?

THE PRESIDENT. I would never categorize my visit in those terms. We had a good day, very successful, a warm welcome. It could not have been better.

Q. Mr. President, do you have to have the Mississippi 30 delegates to get the nomination, sir?

THE PRESIDENT. We had more than 1,130 10 days ago. We are very, very optimistic about additional votes in the Mississippi delegation. We have more delegates today than we had 10 days ago.

Q. Why did you find it necessary to come here, sir, then?

THE PRESIDENT. I like the people of Mississippi.

Q. Mr. Ford, you are going to poll all the delegates around the Nation as far as getting their input as far as the Vice-Presidential choice is concerned.

THE PRESIDENT. Yes.

Q. If that choice turns out to be the unanimous decision of the people to be, say, John Connally, are you going to go along with that?

THE PRESIDENT. I am going to poll all of the delegates, all of the alternates, asking them to give me their recommendations in a list of priorities. I will also ask the Members of the House and the Senate on the Republican side of the aisle. I will also ask the Republican National Committee and other outstanding Republicans, and their recommendations to me will be very significant in the choice that I make. I want to get as much an input, as broad a cross section as I possibly can. I think that is the right way to do it, and I certainly will be guided substantially by their recommendations.

Q. There has been some criticism of you, Mr. Ford, concerning your veto of certain programs dealing with social programs, school lunch measures, what have you. Do you think that is warranted criticism, that you are not attuned to the poor in this country?

THE PRESIDENT. Not at all, because if you look at the budget I recommended, in almost every category I recommended more money for education, more money for health, more money for many of the social programs than had been previously recommended or approved. It is just that you can do just so much. And it was a sound recommendation, and I fully stand by it.

Q. Mr. President, how many delegates did you meet with individually in the hotel room?

THE PRESIDENT. I met with the whole delegation. I did not meet with any individual delegates except some of the leaders in the Mississippi delegation.

Q. What did they say?

THE PRESIDENT. It looked good.

NOTE: The exchange began at 6:50 p.m. at the Allen C. Thompson Field.

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Statement on the Establishment of the Federal Energy Office. *July 30, 1976*

I HAVE today signed an Executive order [11930] which establishes the Federal Energy Office in the Executive Office of the President and which transfers to the FEO the functions and resources of the Federal Energy Administration.

This action was made necessary by the expiration today of the Federal Energy Administration and the failure of the Congress to complete action on legislation extending the expiration date.

It has been clear for months that functions assigned to the FEA must be continued beyond its statutory expiration date. Last February, I reminded the Congress of this need and asked for an extension of 39 months—a period which was consistent with major program responsibilities assigned by the FEA by the Energy Policy and Conservation Act which the Congress passed in December 1975.

Both the House and the Senate have passed extension bills, but the periods of the extensions differ, and both bills include provisions unrelated to the extension. A House-Senate conference committee has been attempting to reconcile these differences in order to produce an acceptable bill, but it is clear that the Congress will not complete action on this legislation before midnight tonight, when the existing FEA authorization expires. Furthermore, the bill currently under review by the conferees includes a number of provisions that will require very careful evaluation before I make a decision.

The Executive order I am signing today will permit continuation of the essential energy programs of the FEA while consideration of a legislative extension continues.

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**Letter to 1976 Republican National Convention Delegates
Requesting Suggestions for the Vice-Presidential Nominee.
July 31, 1976**

THE SELECTION of a Vice President is one of the most critical choices any candidate for the Presidency has to make. First, the nominee must be a person of character and experience, capable of leading the country. Second, the nominee must articulate and support the principles of the Republican Party and be disposed to work in full harmony with the Chief Executive. Finally, the nominee must be an asset in the November campaign and a major contributor to governing the country in these next four years.

There are many qualified people in our Party. I am asking that you send me your suggestions by August 11, 1976, to help me in my deliberations. I would hope that you would be willing to furnish not less than five choices in order of

your preference. I request that you sign your letter, and I assure you that your response will be handled in complete confidence.

I appreciate the time and thoughtfulness which I know you will devote to this matter. It is an important decision for our Party and for our country. I would fully understand, considering the status of the Presidential contest within our Party, if for any reason you would rather not respond. I do welcome any suggestions you may wish to submit and pledge my personal attention. I look forward to seeing you in Kansas City.

Sincerely,

GERALD R. FORD

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**Remarks of Welcome to President Urho Kekkonen
of Finland. August 3, 1976**

President Kekkonen, ladies and gentlemen:

On behalf of the American people, I am delighted to welcome you to our country. Your visit permits us to reaffirm the closeness of the ties between our two countries and to reciprocate the wonderful hospitality extended to Mrs. Ford and me in Helsinki just a year ago.

Finns began arriving in America over 300 years ago and have contributed much to the building of the United States. My home State, Michigan, which is said to resemble Finland in many respects, has attracted many Finns. Their cultural influence, the deep Finnish devotion to education, commerce, farming, and physical fitness is evident in Michigan's copper country.

Mr. President, Finland has proven beyond any doubt whatsoever in recent years that a small country can make important contributions to world peace and world understanding of fundamental importance to both of our nations.

Your active involvement in world affairs, your role in the United Nations, including a significant part in peacekeeping forces in the Middle East and in Cyprus, your serving as a host to important international conferences such as the initial phase of the strategic arms negotiations and the Conference on Security and Cooperation in Europe have all contributed to a better world. Finland has played a constructive role within the Nordic Council and the Organization for Economic Cooperation and Development and has followed closely the dialog which has been established between the developed and developing countries.

Humanity respects and values Finland's efforts to help bridge differences among nations and overcome obstacles to international peace and stability.

Mr. President, you honor us by this Bicentennial visit. Your personal participation in celebrations organized by Finnish-Americans contributes to the wonderful mood the Bicentennial has generated. As a people, we are deeply grateful for Finland's participation. The establishment at the University of Helsinki of a Bicentennial Chair of American Studies, the American Days Program in Finland in June, and Bicentennial programs in more than a dozen Finnish cities are vivid reminders of our friendship and kinship.

Mr. President, the nations of the world now face many, many challenges. Their solution requires our best common efforts in the counsel and understanding of nations working together. With a positive spirit, with understanding, and with full dedication, we will prevail.

I look forward to our discussions, Mr. President, today and future good relations between Finland and the United States. Americans, one and all, bid you welcome and wish you an enjoyable and productive visit.

NOTE: The President spoke at 10:40 a.m. on the South Lawn at the White House where President Kekkonen was given a formal welcome with full military honors. President Kekkonen responded as follows:

Mr. President, I thank you for your very kind words of welcome. Indeed, it gives me great pleasure to have this opportunity to pay a visit to your country. I am particularly delighted that this occasion coincides with the Bicentennial celebration of the independence of the United States.

We, in Finland, realize very well the enormous responsibility which the United States as a great power bears in solving international problems. Mr. President, your active conduct of foreign policy and your efforts to solve these problems in an equitable manner, dependably and honestly, are respected all over the world.

Your visit in Finland, Mr. President, last summer in connection with the Helsinki summit provided me with the personal occasion for talks that I hope will be both found informative and constructive. Then we had the privilege of acting as host for the Conference on Security and Cooperation in Europe, and mem-

ories of those days are still present in the hearts of the Finnish people.

In a sense, my present visit has a twofold purpose. Firstly, I wish to transmit the greetings of the people of Finland to the people of the United States in their Bicentennial Year. This is a most welcome task for me. The good political relations between our countries have traditionally been complemented by ties of friendship and common heritage between our peoples.

Secondly, I am looking forward to the opportunity of exchanging views on topics of mutual interest, particularly on the problems related to the relaxation of international tension. As you know, Mr. President, it is our policy to give high priority to this development. I am very much looking forward to the discussions and meetings that I am going to have with you, Mr. President, and with other leaders of your country.

Thank you for the invitation, and let me once more express my joy for this opportunity of visiting the United States.

Thank you.

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**Message to the Congress Transmitting Annual Report
and Two Studies Undertaken by the Federal
Council on the Aging. August 3, 1976**

To the Congress of the United States:

I am transmitting herewith the Annual Report of the Federal Council on Aging, together with two studies undertaken by the Council as required by sections 205(f-h) of the Older Americans Act (P.L. 93-29).

Last year I indicated that I was looking forward to receiving then two studies from the Federal Council on Aging. The Council recognized its responsibilities and undertook the task in a forthright manner. I appreciate the fine work that the Council has done, particularly with the severe time constraints imposed upon it.

The Council's report and studies provide documentation, from the viewpoint of our elderly citizens, which support the need for legislation along the lines of my proposed Financial Assistance for Health Care Act and the Income Assistance Simplification Act which I will be proposing shortly. My proposals would permit both Federal and State programs to be simplified and integrated into a coordinated system that would best meet the needs of our citizens.

Council Recommendations

With respect to the Supplemental Security Income (SSI) program, the Council has recommended in its program report that legislation be passed that mandates continuance of a specific State supplementation for certain recipients. The Federal Government took over this program from the States on January 1, 1974, and provided a basic payment level to recipients. For those individuals who received benefits under the State programs in December 1973 that were larger than the basic Federal payment level, and who continue to be eligible for SSI, States are required to supplement the basic Federal payment up to the level of the December 1973 payment to such recipients. The requirement does not apply to new recipients who became eligible after December 1973. The Council's legislative proposal would require that the size of the State supplementation to recipients carried over from the State programs on January 1, 1974, could not be reduced. Thus, whenever the basic Federal payment level is increased, this proposal would allow States to continue to maintain a disparity in the benefits for the carried-over recipients versus those recipients who came

on the rolls after December 1973—a disparity equal to the amount of the original State supplementation.

Adoption of this recommendation would have two effects. First, it would dictate to the States how they should spend the taxes they assess on their residents. Such action would distort the original concept of the program of separate but complementary roles of the States and the Federal Government. Second, it would require the States to maintain payments to people based on the date they started receiving assistance, even though other residents of the States may have equivalent needs and incomes.

The Council also recommends that the Veterans' Administration (VA) be directed to study the problem of benefit reduction rates caused by simultaneous receipt of benefits from pensions for veterans with nonservice-connected disabilities and other Federal programs. We share the concern of the Council. This problem is being studied by the Veterans' Administration within the context of total reform of the veterans' pension program. The Agency has discussed pension reform with both the House and Senate Veterans' Affairs Committees, and is committed to continuing these discussions with Congress this year. The relationship of veterans' pensions to other Federal benefits can best be addressed in the course of these discussions.

To assess the tax burden on the elderly, the Older Americans Act also required the Council to undertake a study of the combined impact of all taxes on the elderly. Since many of the tax recommendations of the Council are directed towards State and local government, consistent with the enabling authority I am also transmitting this study to the Governors and legislatures of the States for their consideration.

In recognition of the Bicentennial and the many contributions made by older Americans to the welfare of the nation, the Council's annual report requests the promulgation of a Bicentennial Charter for Older Americans. I have asked Secretary Mathews of the Department of Health, Education, and Welfare, in consultation with the Administration on Aging, to promote discussion of these vital matters at forums of older persons organized by Advisory Committees to the Area Agencies on Aging.

The Federal Council on Aging Annual Report and attendant studies reflect an earnest effort to deal with the lack of equity and efficiency in the present patchwork of income security programs. This unfortunate situation, which has developed over the years, presents problems not only to the elderly and other population groups, but to the taxpayer who must pay the added costs resulting from such inefficiency. My legislative proposals reflect careful con-

sideration of how best to resolve these issues, and I urge prompt action on them by the Congress.

Additional mention should be made of the substantial contribution of the two studies undertaken by the Federal Council on Aging. The efforts of those that participated in the studies will contribute to our effort to provide necessary income and services to our less fortunate elderly citizens in an efficient manner.

These reports will be sent for review and analysis to those Federal agencies serving older persons. After this review, decisions on the recommendations contained in the Council's report will be reflected in future legislative proposals and administrative actions of this Administration.

GERALD R. FORD

The White House,
August 3, 1976.

NOTE: The report is entitled "Annual Report to the President, 1975—Federal Council on the Aging" (64 pp.). The two studies are entitled "The Impact of the Tax Structure on the Elderly, December 29, 1975—Federal Council on the Aging" (Government Printing Office, 119 pp.); and "The Interrelationships of Benefit Programs for the Elderly, December 29, 1975—Federal Council on the Aging" (52 pp.), together with three separate appendices: Appendix I, Handbook of Federal Programs Benefiting Older

Americans (Government Printing Office, 144 pp.); Appendix II, Programs for Older Americans in Four States: A Case Study of Federal, State and Local Benefit Programs (Government Printing Office, 70 pp.); and Appendix III, The Combined Impact of Selected Benefit Programs on Older Americans: A TRIM Analysis (Government Printing Office, 79 pp.). The appendixes were prepared for the Federal Council on the Aging by the Human Resources and Income Security Project of the Urban Institute.

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Special Message to the Congress Transmitting Proposed Foreign Payments Disclosure Legislation.

August 3, 1976

To the Congress of the United States:

Certain improper activities abroad undertaken by some American corporations have resulted in an erosion of confidence in the responsibility of many of our important business enterprises. In a more general way, these disclosures tend to destroy confidence in our free enterprise institutions.

With this in view, I established the Task Force on Questionable Corporate Payments Abroad on March 31, 1976, and directed it to undertake a sweeping policy review of approaches to deal with the questionable payments problem. On June 14, after reviewing an interim report of the Task Force, I directed the Task Force to develop, as quickly as possible, a specific legislative initiative calling for a system of reporting and disclosure to deter improper payments.

Today, I am transmitting to the Congress my specific proposal for a Foreign Payments Disclosure Act. This proposal will contribute significantly to the deterrence of future improper practices and to the restoration of confidence in American business standards.

This legislation represents a measured but effective approach to the problem of questionable corporate payments abroad:

—It will help deter improper payments in international commerce by American corporations and their officers.

—It will help reverse the trend toward allegations or assumptions of guilt-by-association impugning the integrity of American business generally.

—It will help deter would-be foreign extorters from seeking improper payments from American businessmen.

—It will allow the United States to set a forceful example to our trading partners and competitors regarding the imperative need to end improper business practices.

—It does not attempt to apply directly United States criminal statutes in foreign states and thus does not promise more than can be enforced.

—Finally, it will help restore the confidence of the American people and our trading partners in the ethical standards of the American business community.

The legislation will require reporting to the Secretary of Commerce of certain classes of payments made by U.S. businesses and their foreign subsidiaries and affiliates in relation to business with foreign governments. The reporting requirement covers a broad range of payments relative to government transactions as well as political contributions and payments made directly to foreign public officials. By requiring reporting of all significant payments, whether proper or improper, made in connection with business with foreign governments, the legislation will avoid the difficult problems of definition and proof that arise in the context of enforcement of legislation that seeks to deal specifically with bribery or extortion abroad.

The Secretary of Commerce will, by regulation, further define the scope of reporting required. Small or routine payments will be excluded, as will certain clearly *bona fide* payments such as taxes. Reports will include the names of recipients.

Reports will be made available to the Departments of State and Justice as well as to the Internal Revenue Service and the Securities and Exchange Commission. The Department of Justice and the State Department will, in appropriate instances, relay reported information to authorities in foreign jurisdictions to assist them in the enforcement of their own laws.

Reports also will be made available to appropriate congressional committees. All reports would be made available to the public one year from the date of their filing, except in cases where a specific written determination is made by the Secretary of State or the Attorney General that considerations of foreign policy or judicial process dictate against disclosure.

This proposed legislation is intended to complement and supplement existing laws and regulations which can affect questionable corporate payments abroad.

In this regard, I wish to recognize and build upon the fine record of the Securities and Exchange Commission. The Commission already has taken prompt and vigorous action to discover questionable or illegal corporate payments and to require public disclosure of material facts relating to them. Moreover, as the Commission has noted, public disclosure of matters of this kind generally leads to their cessation. In virtually all the cases reported to the Commission, companies discovering payments of this kind have taken effective steps to stop them and to assure that similar payments do not recur in the future.

A principal emphasis of the Commission's activities in this area has been to prompt the private sector to take actions that would restore the integrity of the existing system of corporate governance and accountability. I applaud this approach and expect the Secretary of Commerce to follow the same spirit in administering this new legislation.

However, not all firms engaged in international commerce are regulated under the securities laws and are subject to the disclosure requirements of the Commission. The Commission requires disclosure of payments only when necessary or appropriate for the protection of investors. Further, it has not generally required reporting of the name of a recipient, a requirement which I believe can be an important deterrent to extorters. In addition, the Commission's system of disclosure—focusing as it does primarily on the interests of the investing public—is not designed to respond to some of the broader public policy and foreign policy interests related to the questionable payments problem.

Accordingly, the legislation which I am proposing deals with *all* U.S. participants in foreign commerce—not just firms subject to Commission regulatory requirements—and it calls for the active involvement of the Secretaries of State and Commerce and the Attorney General in administering a system which addresses the full range of public policy interests inherently involved in the questionable payments problem.

The Secretary of Commerce will take every feasible step to minimize the reporting burdens under this new legislation. The legislation directs the Secretary to consult with other federal agencies to eliminate duplicative reporting. Where

appropriate, agencies are authorized to combine reporting and record-keeping in single forms.

In this regard, I also wish to recognize and build upon the Securities and Exchange Commission's acknowledged expertise in financial reporting. Persons subject to the Commission's jurisdiction must maintain books and records that are sufficient to provide data the Commission believes should be disclosed. The requirement that persons subject to SEC jurisdiction maintain adequate books and records is now implicit in existing law; the legislation recommended by the Commission, which the Task Force and I support, would make that requirement explicit. It is contemplated that the Commission will take further steps to assure that companies it regulates maintain adequate systems of internal accounting controls. Thus, it may well be unnecessary for the Secretary of Commerce to impose additional record-keeping requirements on companies regulated by the Commission to enable compliance with the proposed legislation.

We remain mindful that the questionable payments problem is an international problem which cannot be corrected by the United States acting alone. Consequently, we are continuing our efforts to secure an international agreement which will establish a mutually acceptable framework for international cooperation in eliminating improper business practices.

The legislation I am proposing today can contribute in an important way to the restoration of confidence in America's vital business institutions. I urge its prompt consideration and enactment by the Congress.

GERALD R. FORD

The White House,
August 3, 1976.

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Veto of a Bill To Exempt Congressmen From Local Income Taxes. August 3, 1976

To the Senate of the United States:

I am returning today without my signature S. 2447, which would exempt Members of Congress from certain local income taxes. This bill provides that a Member of Congress need not pay the income tax levied by a state or municipality in which the Member lives for the purpose of attending Congress.

Since Virginia and District of Columbia laws already exempt from payment of their income taxes Members living in such jurisdictions only while attend-

ing Congress, S. 2447 would serve principally to prevent Maryland from levying such taxes on Members of Congress. However, it is one thing for a taxing jurisdiction voluntarily to exempt Members of Congress from its income tax laws and quite another for Congress to mandate a Federal exemption on a state income tax system. I believe such Federal interference is particularly objectionable where, as is the case in Maryland, a portion of the income tax is collected on behalf of counties to pay for local public services which all residents use and enjoy. It should also be noted that this bill would in effect freeze the exemptions now provided by Virginia and the District of Columbia, and they would then be powerless to change their tax laws in this regard.

Since this bill benefits a narrow and special class of persons it violates, in my view, the basic concept of equity and fairness by creating a special tax exemption for Members of Congress while other citizens who are required to take up temporary residence in the Washington area—or elsewhere—do not enjoy a similar privilege.

Finally, those who assert that there is a Constitutional infirmity in applying a state income tax to Members while attending Congress may present the issue to the courts for resolution.

As the end of this session of Congress approaches, the American people would be better served if Congress would direct its attention to the important laws that should be passed this year—to cut taxes and spending; to expand catastrophic health care programs; to limit court ordered school busing; to attack crime and drugs; and to address many other important matters of concern to the American people—rather than by enacting legislation such as S. 2447.

For these reasons I am returning S. 2447 and asking Congress to reconsider this bill.

GERALD R. FORD

The White House,
August 3, 1976.

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Toasts of the President and President Urho Kekkonen of Finland. *August 3, 1976*

Mr. President, distinguished guests:

Mrs. Ford and I are greatly honored to have all of you as our guests on this auspicious occasion.

Mr. President, this summer the United States, as we have both mentioned this morning, celebrates its 200th anniversary. We are honored by the fact that you have participated in this occasion today. Your participation in Finnish-American Bicentennial ceremonies at Suomi College, founded by Finnish immigrants in my State of Michigan, is a vivid reminder of Finland's great contribution to America's background and America's present and America's future.

To cite a single example, Americans from coast to coast know of Finnish genius in Saarinen's¹ design of Washington's Dulles Airport, one of the outstanding architectural achievements in our country in recent years. But whether in steel or concrete, or in mind or in spirit, the Finnish involvement with the United States continues to affirm the traditional ties of friendship between our two peoples.

Mr. President, during this Bicentennial Year, Americans are especially gratified by Finland's observance of our anniversary. The wonderful Tapiola Children's Choir has already performed here, and Finnish musicians are now entertaining at the Smithsonian festival. The Sebelius Academy Choir, I am told, will visit the United States this fall, thanks to the generosity of the Finnish Government. For these and all of Finland's contributions to our Bicentennial, Americans are deeply appreciative.

This summer, both our countries participated in the Olympic games. And I was talking to you earlier this evening about your outstanding gold medal winner² who won the 5,000 meter and the 10,000 meter and finished fifth in the marathon. But I think it is appropriate on this occasion, Mr. President, to note that you had the high honor, yourself, of being an Olympian. You made your first trip to the United States as head of the Finnish team to the Olympic games in Los Angeles in 1932. And I am pleased to note that Finland continued to win, not only gold medals in those track contests that I mentioned but elsewhere. And may I congratulate your country and your champions on this occasion.

Mr. President, as a fellow skier I can only marvel at more than the 600 miles you ski cross-country and downhill each year. I must confess, mine is downhill. [Laughter] But your prowess as a jogger, fisherman, and hunter is legendary. At one time, we all know who follow sports that you were the high-jump champion of your country and represented Finland in the Olympics in that

¹ Eero Saarinen.

² The President was referring to Lasse Viren.

contest. I think it indicates very clearly that you are the embodiment of Finland's worldwide reputation for physical fitness.

To change the subject, Mr. President, it was just a year ago last week that Mrs. Ford and I visited Helsinki on the occasion of the Conference on Security and Cooperation in Europe. As host of that conference, Finland, again, showed all of the world its deep interest and active role in promoting international understanding and amity in working for peace and for stability.

We in the United States value Finland's creative participation in world affairs under your wise and skillful leadership. We welcome Finland's contributions to the United Nations peacekeeping efforts in Cyprus, as well as in the Middle East.

Our strong ties between us, bilaterally, are based on many shared ideals and genuine mutual respect. Above all, in this country Finland is respected as a nation that meets its obligations. Just a few weeks ago, Finland wrote a new page in international relations by paying off in full its World War I debt to the United States, 8 years ahead of schedule. I know that you share my satisfaction in the knowledge that this last payment will be used to send young people from Finland and the United States on exchange visits for generations to come.

Ladies and gentlemen, I propose a toast to a distinguished world statesman, the President of the Republic of Finland, and to the continued close and friendly relations between the governments and the peoples of the United States and Finland.

Mr. President.

NOTE: The President spoke at 10:40 p.m. in the Rose Garden at the White House. Prime Minister Kekkonen responded as follows:

Mr. President, Mrs. Ford, ladies and gentlemen:

I wish to express my sincere thanks to you, Mr. President, for the warm welcome this morning and for the words of friendship you have just spoken. You know as well as I do that the friendship and mutual understanding existing between our two countries is highly valued and cherished among the Finnish people.

We are deeply honored and gratified in receiving your invitation to pay an official state visit to the United States this year. The American Bicentennial has gained much public attention also in Finland. We in Finland take certain pride in the fact that among the Founding Fathers there was the early Finnish settler John Morton, originally Jussi Marttinen, who, of course, cast his vote in favor of the Declaration of Independence.

Therefore, we have every reason to make this commemoration of the American Revolution our

own and remember those early Finnish settlers who disembarked from 1638 to 1654 on both shores of the Delaware River, established their settlements, and later on were one of the nationalities that helped to settle the original 13 States of the Union.

We do not know much about the hopes and the feelings of the very first Finns coming to America. But the Finnish settlers of later days seemed to have been happy and hopeful when they left the shores of Europe, if we give credence to a Finnish immigrants ballad reading as follows: "I am going to America. Everyone is on his way. The American shores are sanded with gold, they say." Although they did not find golden sand, I know they were not disappointed when they disembarked on the shores of the new country.

My motivation for looking forward with great expectations to this visit was different. It reminded me of my two or three previous visits to this great country. They were both very valuable and important from the Finnish point of view.

In July 1970, the possibility of convening a Conference on Security and Cooperation in Europe

was one of the main topics of our discussion here in Washington. During those discussions I said that I was speaking for a European nation that desires nothing but the possibility of living in peace and security and cultivating friendly relations with all nations, both near and far. And I expressed the hope that these aspirations of the Finnish people would meet with understanding and sympathy on the part of the United States.

Today, we know what then has happened. The Conference on Security and Cooperation in Europe has taken place, and when the final act of that Conference was signed in Helsinki on August 1, 1975, you, Mr. President, represented in person the United States of America.

In my statement at the Helsinki Conference I said that the security of states, cooperation among peoples, and the enrichment of the lives of human persons are watchwords of the Conference. Now that a year has passed since that Conference, I believe that we can note that our expectations have not been unfounded. The implementation of the recommendations, continuity of the Conference has begun, but it will continue for a long time in the future.

Mr. President, in your speech in Helsinki a year ago, you quite correctly stated that history will judge this Conference not by what we say today, but what we do tomorrow; not by the promises we make, but by the promises we keep.

Indeed, our adherence to promises, our acts and their results have been and will be the crucial test of the rationale and the benefit of the process of the Conference on European Security and Cooperation in its various stages.

At the same time, we must pay attention to the continuity of this process to the conference to be held in Belgrade next year and to the developments following from the conference. On her part, Finland will do her utmost that the development that commenced and procedures established will not go to waste.

Equality and mutual responsibility have always characterized the interactions between Finland and the United States. Again, it has characterized the meetings during my present visit and made our discussions useful.

I hope this Bicentennial state visit will further strengthen the warm ties of friendship which have always characterized the relations between our two countries. On behalf of the people of Finland and on my own, I would like to express our warmest wishes to you, Mr. President and Mrs. Ford, and to all the people of the United States who are now commemorating their two centuries of work for the happiness and greatness of the United States of America.

Mr. President, I am very happy that I have had the opportunity to exchange views with you today on several international questions. The common feature in the talks of today and in those which we had last year has been their friendly, sincere, and constructive spirit, which I appreciate very much.

Mr. President, your activity in high political positions in your country has been exceptionally long and impressive. Throughout your whole public career you have been known as a resolute man who has never hesitated to take responsibility and who has been capable of making decisions even in situations that have called for rapid action. Your activity in the highest office of your country, which has rightly been characterized as one of the most difficult and responsible in the world, has also abroad created of you an image of a dependable and realistic statesman.

I am most grateful to you, Mr. President and Mrs. Ford, for your generous hospitality and for this festive opportunity to meet so many distinguished Americans.

Ladies and gentlemen, may I ask you to join me in a toast in honor of the President of the United States and Mrs. Ford.

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Statement on Signing the Housing Authorization Act of 1976. August 3, 1976

I HAVE signed into law S. 3295, the Housing Authorization Act of 1976.

The need to increase the quantity and quality of housing in America and to assure adequate housing for all Americans has been one of my primary concerns. S. 3295 contains provisions which are important in helping us reach these housing goals and also contains important fiscal year 1977 authorizations

for the Department of Housing and Urban Development. Unfortunately, it also contains provisions which indicate the strong reluctance on the part of this Congress to seek real solutions to the problems we face in assuring adequate housing for all lower-income Americans.

Two years ago, the 93d Congress authorized a new approach to provide rental subsidies for lower-income families—the Section 8 Housing Assistance Payments Program. This program was designed to avoid the serious and well-documented defects in the then-existing public housing program.

As a result of that new program, for the first time in our history we have been using effectively the existing housing in inventory, as well as new housing, to provide decent shelter for the Nation's poor. This approach is approximately half as costly as constructing new public housing, and it prevents the waste of our Nation's housing stock. Moreover, this program permits lower-income families to live in modest homes, indistinguishable from those of their neighbors, instead of institutionalized housing.

In S. 3295, however, the Congress has ignored both our unfortunate previous experience and the recent success resulting from the Section 8 program. Reversing this record of progress, it voted to reinstitute a public housing program. Fortunately, in the 1977 HUD appropriation bill, the Congress has voted overwhelmingly to cut back the size of that program.

S. 3295 would also extend a number of programs which should be discontinued and would authorize appropriations far in excess of my budget proposals. Although the Congress, in acting on HUD's appropriation bill, has demonstrated much greater restraint than was shown in S. 3295, the threat to future budgets remains because these high authorizations produce unrealistic expectations.

This bill also calls for shortsighted and illogical changes in the way interest rates are established under certain existing Federal programs.

Despite my strong reservations about these and other undesirable features, I have signed this bill because good government requires that a number of the authorizations and program extensions contained in S. 3295 become law as soon as possible. I have instructed Secretary Hills to use the resources of the Department of Housing and Urban Development to implement this measure in a manner which will maximize its benefits while reducing as much as possible the inevitable frustration, delays and increased costs it will also bring.

NOTE: As enacted, S. 3295, approved August 3, 1976, is Public Law 94-375 (90 Stat. 1067).

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**Statement on the Death of Representative Jerry Litton
of Missouri. August 3, 1976**

I WAS shocked and saddened to learn of the tragic death of Representative Jerry Litton, his wife, and their two children.

During the time that I knew Jerry Litton, I considered him to be a valued colleague and an effective Representative of his constituents.

Mrs. Ford joins me in expressing profound sympathy to Jerry Litton's relatives and friends.

NOTE: Representative Litton was a Member of Congress from 1972 until he died in Chillicothe, Mo., in the crash of a private plane.

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**Remarks on Greeting Delegates to a Joint Session
of Boys/Girls Nation. August 4, 1976**

Good afternoon, Commander Wiles, Mrs. Schanel, Vince Marazita, boys, girls of this wonderful organization, your officers and the participants:

Mrs. Ford and I are very, very delighted to have the opportunity of saying hello and welcoming almost 300 of the first joint Boys/Girls Nation.

I congratulate each and every one of you, first for being selected to attend this very unique event, but also, just as importantly, your accomplishments and your activities here in the Nation's Capital. Obviously, you have won the respect of your fellow students, your high school teachers and administrators, and the representatives of government at every level.

I couldn't help noticing that three of your four highest officers are from Michigan—[*laughter*]—including your president. I won't say anything more. I like your thinking. [*Laughter*]

Let me take this opportunity to thank my fellow members of the American Legion and its Auxiliary for making Boys Nation and Girls Nation a success. Since 1935, when the idea of student participation in government was first conceived by the American Legion, the Legion has worked very diligently to help our young people gain an understanding of democracy as it is best practiced

in the world. In the United States of America, more than a million students have participated in Boys and Girls Nation over the past 41 years.

If I might indicate my own participation, going back when I first joined the American Legion in the late fall of 1945, after World War II, I joined Furniture City Post in Grand Rapids, Michigan. And for a number of years before I became active in politics, I was an officer and a very active member of that post and participated, in my way, in trying to stimulate Boys Nation, Girls Nation, selecting the nominees. And subsequently, I had the privilege and honor of participating at State conventions of Boys Nation, Girls Nation. And I can say from personal experience over a long, long period of time, that these two organizations—Boys Nation, Girls Nation—have contributed very significantly to making this country a better place in which to live.

I am proud of my association with the American Legion. Mrs. Ford is proud of her affiliation with the Auxiliary of Furniture City Post. And I congratulate you as another wave of young people who are having an opportunity to see firsthand and to find out firsthand how government works. And so, I like the American Legion, and I like the kind of young people that they have selected over the years.

Your involvement in the political process is one of the keys—and I say this with great emphasis—one of the keys in maintaining an educated and responsible electorate. As long as our citizens in all 50 States understand the vital issues and responsibly evaluate the political leaders, America will remain strong and America will remain free. This was the dream of our forefathers as they declared our independence in 1776.

During this joint session here, you have traveled to many of the historic sites that mark freedom's birth. During our national Bicentennial celebration, I had a wonderful opportunity to visit many of these same places that you have visited. I noticed something quite remarkable as I went from Valley Forge, to Philadelphia, to New York City and saw the "Tall Ships," and to Monticello. I saw something quite remarkable taking place throughout our country—a new reverence for the American dream and a new acceptance of the American adventure.

I hope that each and every one of you had the same reaction, the same feeling that I had, and you now have resolved to take a very active part in rekindling a sense of pride in our great country.

The future holds many, many wonderful opportunities for each and every one of you. One opportunity—and I say this with emphasis—is a career in

public service, whether it's in elective office, serving in the executive branch, or serving in the judiciary. The American dream cannot continue without your serious commitment to it, not on a 1-day-a-year basis, when you vote, but on a total 365 days a year commitment. And this commitment can be at the local or the State or the national level, but it has to be a real commitment.

Now, after closely examining government at all levels—and I know you have had that opportunity—you may have learned that our system isn't perfect. But I hope you realize now that it is perfectable, that it is worth your personal involvement, as I said a moment ago, and you can contribute significantly.

To be truly representative, government must serve all of the people. To do that effectively, it must be sensitive, it must be responsive, and it must be close enough to the people to understand, so that they feel that you have a feeling toward them and they, in return, have a feeling toward you. This means that we must, that we can encourage smaller local units of government to take responsibility back from big government as we see it here in Washington. What can be handled by the individual, in my belief, should not be usurped by government. What can be accomplished by localities should not be taken over by the Federal Government.

I might say, historically we find that the first 100 years of this country involved the process of our forefathers making a system of government that worked, that didn't fall apart, that met the stresses and the strains. The second 100 years of our history in this country gave us the opportunity to develop the greatest industrial nation in the history of mankind. The third century is our responsibility to see that it becomes the century of the individual, the right of the individual to be different from mass government, mass education, mass labor, mass business, so that each of you can develop, to the best of your abilities and dedication, your opportunities in this great Nation.

What we really need is a better balance, where individual freedom is protected, not stifled; where productive capacity is encouraged, not strangled through over-regulation; where human problems are solved with compassion, not bound in redtape; where integrity is a reality, not just a political slogan. Such a system would ensure that the renewed faith our people have found during this Bicentennial Year will continue in our third century as a nation.

The third century is your century. So, you will have problems, and you will have responsibilities; you will have opportunities. I think you have already demonstrated your great capacity for leadership, or you wouldn't be here. And because of you, as I look in the eye of each and every one of you, I know that

America will be in good hands, that the America of the third century will be a better place, and the great American dream will become a reality.

Thank you all very much.

NOTE: The President spoke at 4:52 p.m. in the East Garden at the White House. In his opening remarks, he referred to Commander Harry G. Wiles, national commander of the American Legion, Mrs.

Alan Schanel, national president of the American Legion Auxiliary, and Vince Marazita, president of Boys/Girls Nation.

715

**Letter to the Speaker of the House and the Senate
Majority Leader on the National Swine Flu
Immunization Program. August 4, 1976**

ON MARCH 24, 1976, after meeting with a distinguished group of physicians, scientists and public health experts, I asked the Congress to appropriate \$135 million for the production of sufficient swine flu vaccine to inoculate every man, woman and child in the United States. I also directed the Secretary of Health, Education, and Welfare to develop plans that would make this vaccine available to all Americans. The Congress moved quickly on my appropriation request, and I was pleased to sign it into law April 15.

Since that time HEW, working with the medical profession, State and local health officials, vaccine manufacturers, and other groups, have developed extensive plans to see to it that our original goal of making this vaccine available to all Americans can be met.

We continue to be faced, however, with a major problem in meeting our goal. Although experience indicates that there is a very low risk of untoward reactions to the vaccine, the drug manufacturers producing this vaccine for HEW need some form of appropriate liability protection.

On June 16, in anticipation of this situation, I directed HEW Secretary Mathews to immediately submit legislation to the Congress to enable the government to assume a proper share of risks so that this important program might move ahead.

This morning I received a report from the Secretary that after seven weeks of discussions and negotiations, the Health and Environment Subcommittee of the House Interstate and Foreign Commerce Committee acted last night to report legislation that would, if enacted by the House and Senate, correct this problem, which has unnecessarily delayed this vital program.

I am writing to you this afternoon to urge that the House of Representatives (Senate) move quickly to enact this legislation so that the vaccine can be made available without further delay.

In conclusion, let me reiterate a point that I made in March and again to Chairman Paul Rogers on July 23: The threat of swine flu is genuine. Data from both the scientific and medical communities support the need for an inoculation program. Clinical tests conducted to date show that the vaccine is both safe and effective. There is no excuse now to let this program—a program that could affect the lives of many, many Americans—be delayed any longer. Let's work together to get on with the job.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Mike Mansfield, Majority Leader of the Senate.

716

**Remarks to Members of the U.S. Olympic Team and
Presentation of the Presidential Medal of Freedom
to Jesse Owens. August 5, 1976**

Distinguished athletes and guests, members of the Commission on Olympic Sports:

A few weeks ago I had the privilege of seeing all of you at Plattsburg¹ and being your guest on that occasion. And it is a great privilege and pleasure for me and Mrs. Ford to welcome all of you here in the East Garden of the White House.

At that time in Plattsburg, I congratulated you on making the American Olympic Team. I wished you good luck before you left for Montreal, and I am very happy to welcome you all back and to congratulate you once again—this time for having done a magnificent, a superb job.

I hope the athletes have had an opportunity in the last few days to rest up a bit. Let me say that you were not alone in your feats of stamina and strength. Millions of Americans, including myself, are now recovering from the marathon sessions with their TV sets. [*Laughter*]

We watched you and your teammates rack up 94 medals, a truly outstanding performance. You won gold, silver, and bronze. Some of you set records. You

¹ See Items 658 and 659.

gave your utmost effort, and on behalf of all Americans, we were very, very proud of you.

Your achievements are more impressive, in my judgment, for the fact you were up against some of the athletes whose training is subsidized in various ways by their governments. In this country it has always been up to those with talent to make their own way in training and in preparing for the highest level of competition. Our belief in the independence of the athlete and the importance of the amateur tradition has held us back from all-out government support.

As one of your teammates said, and said so well, "I wouldn't trade any of my personal freedom for all the records in the world." At the same time I believe the Federal Government can do more to help athletically talented young people achieve their very, very best in the Olympic competition.

Earlier this year I proposed to provide funding for the permanent winter sports facilities at Lake Placid, New York, to be used for the 1980 Winter Olympics and thereafter to train future American champions.² We can do more than that in the long run. Therefore, I am asking the Congress to extend the life of my Commission on Olympic Sports until January of next year. In that time I am asking the Commission not only to address the problem of sports organization in the United States but also to recommend effective mechanisms for funding training and development of our Olympic competitors.

Other countries have found creative ideas other than government funding. I am confident we will find ways in which American athletes can be provided the means for Olympic training and development, while preserving their bona fide amateur status.

This year's Olympic games, as you all know, had their share of controversy. International politics sometimes threatened to overshadow athletic achievements. In the last week or two, we have even heard some people calling for the Olympic flame to be permanently extinguished. I strongly disagree. I am confident that the Olympic games can be freed from world politics in the future, reviving the spirit of sacred armistice which prevailed at the original games hundreds of years ago.

I am confident that in the long run the larger view will prevail—that a great athletic performance is a personal achievement before it is a national achievement. Whatever their nationality, all athletes are working against the same physical and mental constraints of the human body, of gravity and time. The challenges that all athletes face in common are more important than the boundaries that divide them. That is the true spirit of the Olympic games.

² See Item 438.

It is in that spirit that I pledge our efforts to ensure that in 1980, at which time we will be hosting the Olympic games in Lake Placid, politics be kept out of the arena. We will welcome every team recognized by the International Olympic Committee. Attempts to use the Olympic games for international power politics will ultimately backfire. Our friend Jesse Owens, here with us today, proved that.

In 1936 when Adolph Hitler was trying to turn the games into a spectacle that would glorify racist dogma of the Nazi state, there was a strong movement in the United States against our participation in the games. As it turned out, U.S. participation in those Olympics provided a sharp rebuke of Hitler's racist rubbish. Five black American athletes won eight gold medals in track and field. One American athlete in particular proved that excellence knows no racial or political limits. That man is Jesse Owens.

I don't have to tell any of you who studied the history of the Olympics of his phenomenal career. I happened to be a student at the University of Michigan when Jesse Owens was a student at Ohio State—as Woody Hayes³ calls it, that school up north. [*Laughter*] I saw Jesse Owens at a Big 10 track meet in Ann Arbor, as 1 of some 10,000 or 12,000 spectators, when he broke three world records and tied a fourth. His performance that day in the broad jump—26 feet 8¼ [5 ⅝] inches—was not equaled for 25 years. It was a triumph that all of us will remember.

In the 1936 Olympics Jesse Owens won four gold medals—the 100 meters, the 200 meters, the 400-meter relay, and the broad jump. He personally achieved what no statesman, journalist, or general achieved at that time—he forced Adolph Hitler to leave the stadium rather than acknowledge the superb victories of a black American.

Fifteen years later, revisiting the same stadium, Jesse Owens received a standing ovation when he urged his audience, and I quote, “to stand fast with us for freedom and democracy.” Giants like Jesse Owens show us why politics will never defeat the Olympic spirit. His character, his achievements have continued to inspire Americans as they did the whole world in 1936.

He brought his own talents into the service of others. As a speaker, as an author, as a coach, he has inspired many young men and women to achieve their very best for themselves and for America. As an American who rose from poverty to a position of leadership, he has motivated many, many others to make the most of what America has to offer.

³ Head coach of the Ohio State University football team.

Jesse Owens is a modest man. Jesse may wonder why I am singing his praises here today.

Jesse, would you please step forward?

Jesse, it is my privilege to present you today with the Medal of Freedom, the highest civilian honor that your country can bestow. And I present you with this medal on behalf of the people of the United States. For them in particular, and especially for the athletes like those here today, your character, your achievements will always be a source of inspiration.

The citation reads as follows: "To Jesse Owens, athlete, humanitarian, speaker, author—a master of the spirit as well as the mechanics of sport. He is a winner who knows that winning is not everything. He has shared with others his courage, his dedication to the highest ideals of sportsmanship. His achievements have shown us all the promise of America and his faith in America has inspired countless others to do their best for themselves and for their country."

NOTE: The President spoke at 3:15 p.m. in the East Garden at the White House.

is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 1245).

Mr. Owens' response to the President's remarks

717

Message to the Congress Reporting on Administration Efforts To Settle the Cyprus Conflict. *August 6, 1976*

To the Congress of the United States:

Pursuant to Public Law 94-104, I am submitting my fifth periodic report on the progress of the Cyprus negotiations and the efforts this Administration is making to help find a lasting solution to the problems of the island. In previous reports I have emphasized my strong desire to see a just and lasting settlement. I have reviewed in detail the efforts this Administration has made to help realize that achievement, and the progress that has been made thus far. I have indicated that while a Cyprus solution cannot be dictated by the United States, or imposed by any outside party there are certain elements which are considered essential to an equitable settlement. These I detailed for the Congress in my report of December 8, 1975.

These essential elements have not changed. Nor has my conviction, voiced in earlier reports, that real progress can be achieved provided mutual distrust and suspicions are set aside and both parties forego rhetoric which needlessly hinders the search for a just settlement.

We have lost no opportunity to contribute to our common goal of achieving a Cyprus solution. I have discussed the Cyprus problem at length with the Foreign Ministers of Greece and Turkey. At the Summit Conference in Puerto Rico in June 1976, I spoke about Cyprus with leaders of the major industrial nations. Secretary Kissinger has also devoted considerable effort to achieving a favorable atmosphere for discussions, continuing personally to press our views at the highest levels in Athens and Ankara. Our Ambassadors in Greece, Turkey and Cyprus have worked unstintingly to help bring the two sides together in an atmosphere of true negotiation; and we have strongly and continuously supported the efforts of United Nations Secretary General Waldheim to achieve this same end. In spite of all these efforts, we have been unsuccessful thus far in getting the parties to set aside procedural problems and to move on to discussions of the key substantive issues, such as territory.

The process of finding a solution to the Cyprus problem has been carried forward through intercommunal talks between the two Cypriot sides, under the aegis of Secretary General Waldheim. These talks have been in recess since February. Lower-level "humanitarian" talks, now also in recess, have produced limited progress on subsidiary issues, but have left the central points of contention unresolved. Meanwhile new frictions continue to arise on the island as each side seeks to maintain or improve its position, either locally on the island or on the wider international stage.

We continue to seek solutions for the ongoing humanitarian problems of those who were displaced from their homes on Cyprus by the conflict of 1974. The United States, through the UN High Commissioner for Refugees, has contributed some \$25 million in each of the past two years to help to alleviate these problems. On Cyprus, new programs to provide housing for those displaced are underway. With these programs, we would hope that most of those Cypriots still living in temporary dwellings—now down to about 10 percent of the original number of refugees—could be in new homes by early next year. In support of this effort our program of humanitarian assistance will continue in the coming year.

Secretary General Waldheim's Special Representative on Cyprus, Ambassador Perez de Cuellar, has recently engaged in discussions in Ankara, Athens and Nicosia with a view to developing a basis for an early resumption of the intercommunal talks. The United States has strongly supported these efforts and will remain in close contact with the Secretary General in the days immediately ahead.

On July 29 of this year I met with Bulent Ecevit, the Turkish opposition

leader, and stressed the compelling need for a more conciliatory approach by both sides. Moreover, we have again been active with our European allies to insure that all avenues are explored in the search for a settlement.

Though there are many proposals for a settlement of the situation on Cyprus, the only solution which will restore domestic tranquility for all the citizens of that island is one which they work out among themselves. We are dedicating our efforts to assisting in the resumption of negotiations which will achieve the goal we share—an equitable and just peace on Cyprus. This Administration, with the support of the Congress, will continue actively to encourage that process in every way possible.

GERALD R. FORD

The White House,
August 6, 1976.

718

**Remarks Urging Congressional Enactment of the National
Swine Flu Immunization Program. *August 6, 1976***

I HAVE been following with great concern the investigations into the cause of the tragic outbreak of illness in Pennsylvania this past week.¹ All Americans join me in their sympathy for the families of more than 20 people who have died and their hope for the speedy recovery of those currently under treatment.

I am greatly relieved of course that these tragic deaths were not the result of swine flu. But let us remember one thing: they could have been. The threat of swine flu outbreak this year is still very, very genuine. Data from the scientific community clearly supports the need for a full-scale inoculation program. Clinical tests conducted to date clearly demonstrate that the vaccine is both safe and effective. There is no excuse to let the legislative program that I proposed 7 weeks ago—a program that could safeguard the lives of many, many Americans—be delayed any longer.

HEW Secretary Mathews and the leaders of Congress reported to me on Wednesday that after long hours of hearings, discussions, negotiations, Congress finally would act yesterday to pass legislation to provide swine flu vaccine to all the American people. Needless to say, I was keenly disappointed to learn last

¹ The President was referring to the outbreak of a flu-like illness which caused the death of several persons attending a State American Legion convention in Philadelphia, July 21–24.

evening that the news from the doctors in Pennsylvania had led to another slowdown in the Congress.

I am frankly very dumfounded to know that the Congress, which took the time and effort to enact illadvised legislation to exempt its own Members from certain State income taxes, has failed to act to protect 215 million Americans from the threat of swine flu. Drug manufacturers have produced over 100 million doses of swine flu vaccine in bulk form, but that vaccine has not been prepared in suitable dosage form, pending action by the Congress.

Because of these legislative delays, we are, at this very moment, at least 6 weeks away from beginning an effective inoculation program. Had Congress acted promptly after I submitted my proposal, we would have been in a position to dispatch the shipments of vaccine today.

Further delay in this urgently needed legislation is unconscionable. I call on the Congress to act now—before its next recess—so that the health of the American people will be fully protected.

NOTE: The President spoke at 3:38 p.m. in the Briefing Room at the White House.

719

Statement on Senate Action Rejecting an Income Tax Exemption Proposal. *August 6, 1976*

THE CONGRESS has been working on tax reform for over 3 years. The Senate is presently considering a 1,600-page document filled with hundreds of provisions and scores of amendments, some of which are good, but many of which would benefit special interests.

This afternoon the Senate tabled a simple, straightforward proposal, offered by Senator Dole, to raise the personal income tax exemption from \$750 to \$1,000 a year. The vote was 57–29.

This proposed amendment would reduce the total tax liabilities of Americans by \$10.2 billion annually. This represents a tax saving of \$193 a year for a family of four earning \$14,000.

I regret that the Senate has rejected this amendment which would benefit all taxpayers and would promote real equity in the tax system.

720

Remarks at the Conclusion of the International Eucharistic Congress in Philadelphia, Pennsylvania. August 8, 1976

Your Eminence Cardinal Knox, papal legate for His Holiness Pope Paul, Your Eminence Cardinal Krol, distinguished clergy from all over the world, dear friends:

I am deeply honored by your invitation to be with you for the conclusion of this 41st International Eucharistic Congress and to reiterate on behalf of all the people of the United States of America our most heartfelt welcome to our many guests from all over the world.

It is an inspiring demonstration of all the world's hunger for peace and understanding that these Congresses are able to unite citizens of more than 100 nations in common purpose and common prayer.

It is fitting that you gather here in the City of Brotherly Love, where 200 years ago my country declared its national independence with a firm reliance on the protection of divine providence. That reliance has never failed us and has been reinforced by the equally firm devotion of Americans to freedom of worship and freedom of conscience for all who have come to us throughout the centuries. These fundamental freedoms are not only written into our Constitution and our laws but they are written in our hearts as well.

On this occasion we celebrate the church's contribution to building a more peaceful world. We salute you for giving depth and direction to the world community in every age. For millions of men and women, the church has been the hospital for the soul, the schoolroom for the mind, and the safe depository for moral ideals. It has given unity and purpose to the affairs of man. It has been a vital institution for protecting and proclaiming the ultimate values of life itself.

We are rightly concerned today about the rising tide of secularism across the world. I share your deep appreciation (apprehension) about the increased irreverence for life. The supreme value of every person to whom life is given by God is a belief that comes to us from the Holy Scriptures confirmed by all the great leaders of the church.

Our commitment to the unique role of the family relationship is also basic to our faith. There are no adequate substitutes for father, mother, and children bound together in a loving commitment to nurture and to protect. No government, no matter how well intentioned, can ever take the place of the family in

the scheme of things. The family circle suggests a oneness similar to that of the church family in that which we strive to achieve in the human family.

I remember a poem that my mother taught me as a young boy, by the great American poet Edwin Markham, which beautifully expresses the determination that we must move beyond tolerance to love. It goes like this:

“He drew a circle that shut me out—
Heretic, rebel, a thing to flout.
But Love and I had the wit to win:
We drew a circle that took him in.”

I am moved that you have brought me in, within this great circle today, and by the spirit of love and service that animates it. I hope that we all, whatever our country or creed, will continue to draw larger and larger circles until that day in His good time when all God’s people are one.

As we work together for a better world where our brothers and sisters are free from hunger and fear, let us keep our hearts free from pride and hate in the spirit of this old familiar prayer of the good St. Francis:

“Lord, make me an instrument of Thy [Your] peace.
Where there is hatred let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
Where there is sadness, joy.”

God bless, and may you have a safe journey to your homes.

Thank you.

NOTE: The President spoke at 4:43 p.m. at John F. Kennedy Stadium. In his opening remarks, he referred to John Cardinal Krol, archbishop of Philadelphia.

721

Statement on Signing a Supplemental Security Income Bill. *August 11, 1976*

I HAVE signed with considerable reluctance H.R. 14514, a bill which would permit the State of California to provide direct financial assistance rather than food stamps to beneficiaries of the Supplemental Security Income program in that State, under certain conditions. The Supplemental Security Income pro-

gram and the food stamp program are both national in scope, and it should not be necessary to enact a special bill because of the situation in a particular State.

The Congress has for many years been aware of the deficiencies in legislation affecting the eligibility for food stamps of Supplemental Security Income recipients. The situation in California is only one result of the failure of the Congress to enact my comprehensive food stamp reform bill which is essential for improved administration of the food stamp program in all States. Making exceptions for special situations is a poor substitute for definitive corrective legislative action on the food stamp program.

Another disturbing aspect of H.R. 14514 is that if California elects to continue to provide cash instead of food stamps after 1976, the bill would require that the State pass through to SSI recipients all cost-of-living increases in the Federal SSI amount. My administration has opposed the principle of a mandatory pass-through for States in the past because it would limit the States' discretion to decide their own supplementary benefit levels. I recognize that this legislation would permit California to remove itself from the congressionally imposed restriction upon action by the State legislature. Nevertheless, I do not believe that the Federal Government should mandate varying levels of SSI benefits in all States simply because a few States in prior years elected to give recipients cash in place of food stamps.

I recognize that some interim resolution of the uncertain situation in California is necessary in the interest of the senior citizens and other SSI recipients. Therefore, I am signing this bill. I must, however, state my strong objection to the use of such narrowly focused remedies instead of proceeding with the broad reforms that are needed.

I urge the Congress to act without further delay on my food stamp reform proposals that have been before it since October 1975.

NOTE: As enacted, H.R. 14514, approved August 10, 1976, is Public Law 94-379 (90 Stat. 1111).

722

Remarks at President Ford Committee Headquarters in Washington, D.C. *August 11, 1976*

Elly, Rog, and all of the wonderful people on the staff, those paid and those volunteers:

Let me first thank all of you for this wonderful opportunity to come over here.

Elly, that's an unbelievable number—240,924. I am sure glad they are on

my side and not against me. [*Laughter*] But I do want to express my appreciation to them through you. When we first talked, Elly, we discussed, as you indicated, if we could get 50,000 women actively involved on behalf of President Ford and Betty, we would be doing very well. This is a magnificent effort on your part and a tremendous expression of the power of women in a political campaign. I am sure it has had a tremendous impact on the preconvention. I am absolutely certain it will be a significant contributor to our victory in November, and I thank you and I thank them.

But in addition, I would like to express Betty's and my deep appreciation for all of the people who have worked here in whatever capacity. I know it has meant a great deal of sacrifice in your own time, and your families have likewise been called upon to sacrifice during your absence. So, we not only express our appreciation to those here but to those who have kept the home fires burning while you were working on our behalf.

Secondly, I know a good many of you are going out to Kansas City. I know many of you will be staying here and helping the office, to keep it going, so we will be ready on Thursday morning to go out and get the campaign going so we can win on November 2.

I don't intend to make a speech. I will save that for next Thursday night. I might add, it's coming along very, very well. [*Laughter*] We have lots of good things to say about the Republican Party, and we have a few comments we would like to make about the Democratic Party. But most of all we are going to talk about the hopes and aspirations of the American people, which I think have been ignited since the Bicentennial, our 200th birthday, on July 4.

There is a new spirit in this country. It's a new spirit that we can get going and keep going for the next 4 years, so that the next 96 years will be even better for those generations to follow.

Let me express again Betty's appreciation, my gratitude. I can assure you that we will be out there working, because we feel that what we have done will give us an opportunity to do an even better job for the American people.

But all of you have contributed very significantly to this great win in Kansas City, and even a greater victory in November.

Thank you very, very much.

NOTE: The President spoke at 4:04 p.m. at the offices located at 1828 L Street NW. In his opening remarks, he referred to Elly Peterson, deputy chairman of special groups for the President Ford

Committee, who organized "Women for President Ford," which recruited 240,924 women in 50 States; and Rogers C. B. Morton, chairman of the President Ford Committee.

723

Remarks Upon Signing the National Swine Flu Immunization Program of 1976. *August 12, 1976*

Secretary Mathews, Congressman Carter, Dr. Cooper, distinguished members of the medical profession, ladies and gentlemen:

I am deeply appreciative that the Congress, as one of their final actions before the scheduled recess, sent to me for signature the National Swine Flu Immunization Program of 1976. And I would like to express my deep appreciation to the bipartisan leadership of both the House and the Senate and responsible leaders in the committees that had jurisdiction for their cooperation in making certain that this legislation got to the White House on time for us to carry forth this program.

This program will permit the Federal Government to assure appropriate liability protection for those who manufacture, distribute, and administer this lifesaving vaccine. The program also provides a claims procedure for those who might be injured. Scientific and medical evidence continues to support the need for a swine flu inoculation program. A vaccine has been developed that is both safe and effective, with a very low risk of adverse reactions.

I have directed the Secretary of Health, Education, and Welfare to move as quickly as possible to make this vaccine available to all Americans. I strongly reaffirm my commitment to this program, which will afford millions of Americans protection against an outbreak of swine flu this winter.

I say again, I am grateful that the Congress did take this action so this program could continue.

NOTE: The President spoke at 12:12 p.m. at a ceremony in the Cabinet Room at the White House. In his opening remarks, he referred to David Mathews, Secretary, Dr. Theodore Cooper, Assistant Secretary for Health, Public Health Service, Depart-

ment of Health, Education, and Welfare; and Representative Tim Lee Carter of Kentucky.

As enacted, the bill (S. 3735) is Public Law 94-380 (90 Stat. 1113).

724

**Remarks at the Swearing In of H. Guyford Stever as
Director of the Office of Science and Technology
Policy. August 12, 1976**

Mr. Vice President, Dr. Stever and Mrs. Stever, distinguished guests:

Ever since I first came to the Congress I have had a great interest in science and technology. I recall very vividly my first exposure, as a member of the Committee on Appropriations, to military research and development programs. And subsequently, I had the opportunity to serve on the select committee that changed NACA to NASA, and subsequently became very interested in the space program itself.

As I recall, the first science adviser to the President was made under President Eisenhower by Executive order. Subsequently, of course, after a few years it was discontinued. But the Vice President and I, quite a few months ago, felt that it would be highly beneficial if we would establish an office of science and technology in the White House by statute.

The Vice President worked very closely with the Members of the House and Senate committees, and finally legislation was recently enacted to establish the Office of Science and Technology [Policy] in the White House, with the man holding that position to be the personal adviser to the President on these important subjects.

I am very pleased to participate in the ceremony today when Dr. Guy Stever will be sworn in by the Vice President to this first office. Dr. Stever was on the faculty at MIT, subsequently served as president of Carnegie-Mellon University, and for some time has been the head of the National Science Foundation.

We are very, very fortunate to have a man like Guy Stever to take this oath of office for this important responsibility. And I want to thank you, Guy, for assuming this job and initiating this program. We are proud of what you have done, and we are extremely fortunate to have someone like yourself undertaking this new responsibility.

I congratulate you and wish you well. And now will the Vice President act in the capacity as a justice or officer of the Government?

NOTE: The President spoke at 1:51 p.m. at a ceremony in the Cabinet Room at the White House. Vice President Nelson A. Rockefeller administered the oath of office.

Mr. Stever's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 1257).

725

Veto of the Federal Insecticide, Fungicide, and Rodenticide Extension Bill. *August 14, 1976*

[Dated August 13, 1976. Released August 14, 1976]

To the House of Representatives:

I am returning, without my approval, H.R. 12944, a bill "To extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for six months." If the only purpose of the bill were that set forth in its caption I would have no reservations about it.

The bill would, however, also make a serious substantive change in the law. It would subject rules and regulations issued under authority of the Act to a 60-day review period during which either House of Congress may disapprove the rule or regulation by simple resolution.

As I have indicated on previous occasions, I believe that provisions for review of regulations and other action by resolutions of one-house or concurrent resolution are unconstitutional. They are contrary to the general principle of separation of power whereby Congress enacts laws but the President and the agencies of government execute them. Furthermore, they violate Article I, section 7 which requires that resolutions having the force of law be sent to the President for his signature or veto. There is no provision in the Constitution for the procedure contemplated by this bill.

Congress has been considering bills of this kind in increasing number. At my direction, the Attorney General moved recently to intervene in a lawsuit challenging the constitutionality of a comparable section of the Federal election law. I hope that Congress will reconsider H.R. 12944 and pass a bill which omits this provision.

GERALD R. FORD

The White House,
August 13, 1976.

NOTE: The bill was referred to the Agriculture Committee on Aug. 23, 1976.

726

Remarks Upon Arrival at the 1976 Republican National Convention Headquarters in Kansas City, Missouri.*August 15, 1976*

IT IS wonderful to be back in Kansas City. What a wonderful welcome. And I can say without any hesitation or qualification, this is the kind of enthusiasm that will give us a victory on Wednesday night.

Now, let me say I am not going to make a speech. But I do want to introduce some very good, very close friends of mine: first, the Vice President of the United States, Nelson Rockefeller; then, one of my best friends and one of the most ardent and effective supporters, a great Governor of my State, Governor Bill Milliken, and Mrs. Milliken; then, another very good friend—and you can't miss him—the chairman of the President Ford Committee, Rog Morton.

I have got a few of the members of my wonderful family here. First, a young lady who is going to be a temporary resident of the great State of Kansas when she goes to—she will be entering Kansas University this fall. She loves her photography like I love those uncommitted delegates. [*Laughter*] Susan.

And then, our third son, Steve, he likes to ride the ranges up in Montana or Utah or California. He's promised to stay in the saddle for the next 4 years. [*Laughter*] Then Jack, who has been out campaigning month after month after month. Jack Ford.

And then last but not least, the most effective campaigner in the Ford family [Betty Ford]. She has more President buttons with her name on it than I do. [*Laughter*]

Mike and his wonderful wife, Gayle, are going to come out here on Tuesday. The whole Ford family will be here for a reunion before we win on Wednesday night.

Thank you all. We are really just tremendously impressed with the warmth, the numbers, and the wonderful welcome that you have all given us. Let me say we will not let you down, and we know we are going to win. Thank you very much.

NOTE: The President spoke at 6:22 p.m. in the Century Room at the Crown Center Hotel.

727

Remarks on Greeting The Presidentials, a President Ford Youth Group, in Kansas City. *August 16, 1976*

WOW, what a meeting. What a convention. What a victory Wednesday night.

Let me be serious just a minute. On behalf of Mike and Gayle, Jack, Steve, and Susan, and of course, Betty, and especially on my own behalf, I want to thank all of the great Presidentials for being here on your own and doing a great job.

We have had a tough 2 years. We have done a good job. But everytime the going got rougher and rougher, everytime we had a hard, tough decision to make—and we did—I had the feeling that the young people in this country understood the problems and were on our side.

But let me, if I might, take just a minute. Your parents, your grandparents, have made a great effort over their lifetime to make this a good country. But they wanted to make it a good country for one single reason—because they wanted their children and their grandchildren to have a better America for themselves than they did for themselves. That is what you want for your children, and that is why you are so idealistic, that is why you have a cause, that is why you are here—because you believe in something, something good about America.

You want peace at home, and you want peace throughout the world. I am on your side. In the last 2 years we have healed America at home. And in the last 2 years we have achieved peace abroad, and we are going to keep it abroad.

Our Nation is trusted, respected. We have the military capability and the diplomatic skill to keep peace. And with the strength and the hopes and the aspirations and the visions of the American people, including all of the wonderful young people, America will continue to be the leader of the world, and we will keep the peace.

The young people of this country want their environment at home expanded. They want it better—more parks, a better life for when they go on vacation, a better life when they live in their urban centers or on their farm. They want an environment that will make this country the kind of a country where we can have a quality of life, not today, not tomorrow, but during this next century. I am on your side.

The American people, especially our youth, want to help the economy with jobs. I am on your side. The opposition party talks about statistics as far as unemployment is concerned. The only criteria that I use is that every American—white and black, old and young—who wants a job has a job.

Our country has grown from 13 poor, struggling colonies with less than 3

million people 200 years ago. For the first 100 years of our Nation's history, we developed the greatest form of government in the history of mankind. And then, in the second century of America's history, we were the leaders in developing an industrial revolution that made it possible for us to lead the world in worldly goods.

But it is my feeling that in our third century—and I think this came through during that wonderful Fourth of July celebration—we have to make the third century of America the century of the individual, so that he lives—we have to have the opportunity for that individual, wherever he or she may live, a century where we have peace abroad and peace at home; where we have the environment where a quality of life is meaningful to each and every one of us; where a job is not just a government-promised job, but a job with some real commonsense, with an opportunity for advancement and permanency; a third century where you and your children and your grandchildren can have a vision for a broadened opportunity for each and every one of you every day of every year. We have to have that vision of a better America.

Our forefathers gave us much—a good government, the opportunity to increase our worldly goods—but if we don't keep and strengthen the opportunity for individual liberty, all of which we believe in won't have much meaning. And so I say to you, Jerry Ford is on your side. I will stand with you, work with you, and we will win a great victory on Wednesday.

You have got a thousand wonderful young people here today, but we have to multiply and multiply and multiply our efforts so we win on November 2.

NOTE: The President spoke at 9:50 a.m. at the Trade Mart Building.

728

**Remarks to President Ford Committee Staff
in Kansas City. August 18, 1976**

LET ME just thank all of you that I didn't have a chance to express my appreciation with a handshake.

It was a great night last night, and it came about because of all the hard work of people like yourselves, not only here but all over the country. It is a big step toward the result that we are going to get tonight and the more important result we are going to get November 2.

Thank you very much.

NOTE: The President spoke at 8:45 a.m. in the Liberty Room at the Crown Center Hotel.

729

Remarks to the New York Delegation at the 1976
Republican National Convention in Kansas City.
August 18, 1976

Thank you very, much, Dick, Mr. Vice President, Senator Javits, the congressional delegation from the State of New York, my good friend, Louis Lefkowitz, my also very good friend, the man that should have been the present Governor of the State of New York, Malcolm Wilson, and all of the wonderful delegates and alternates from the Empire State:

I thank you very, very much. I sat there watching the television as we went down the rollcall last night, and it was certainly comforting to know that under the leadership of your great State chairman and all of the people that work with him that we were going to get an awful lot of delegates voting right last night—[laughter]—and 134 sounded great at that point. I thank you, Dick, and I thank all of those that stood with us. It was a good fight. I was impressed that we did it the right way because we were on the right side of the issue.

But now let me say that the ball game is not over. I have seen an awful lot of good ball teams lose when they didn't play until the final whistle. We have got the final part of this game, as far as this convention is concerned, this evening. The contribution of the State of New York and the delegation here can be extremely significant, just as it was last night. I am absolutely confident that we will do in New York tonight as we did last night—and I hope even better.

But when we are all through with the contest tonight, we have to be absolutely certain and positive that in New York, in Michigan, in the other 48 States, that we leave that convention as a party unified for the philosophy, for the point of view, for what we believe so deeply. And if we do, we can win that election on November 2. Let me say, as the nominee I will maximize my efforts. I will do everything possible to make sure that we march arm in arm, shoulder to shoulder for the next 75 days so victory is assured for the American people.

So, I would just like to thank you all. I have had the privilege of meeting many of you over the years as I have campaigned in, I think, virtually every part of the great State of New York. I would just like to reemphasize and reiterate my appreciation for the support you have given me, not just last night but over some tough months. Betty and I are most grateful.

I would just like to wander through the crowd and express that appreciation

not by words, but by a handshake and a personal expression of our gratitude and gratefulness. Thank you very, very much.

NOTE: The President spoke at 5:30 p.m. in the Century Room at the Crown Center Hotel. In his opening remarks, he referred to Richard Rosenbaum, New York State Republican chairman, Sen-

ator Jacob K. Javits of New York, Louis J. Lefkowitz, New York State attorney general, and Governor Malcolm Wilson of New York 1974-75.

730

Exchange With Governor Ronald Reagan and a Question-and-Answer Session With Reporters in Kansas City.

August 19, 1976

THE PRESIDENT. Governor Reagan, I came over to the hotel for the purpose of congratulating you on a very fine campaign, expressing to you our compliments for the outstanding organization that you had. You really got us in shape.

I think the campaign you waged and the organization you put together was beneficial to the campaign that we have, beginning right away to defeat the Democratic nominees and to make certain that our philosophy prevails for the next 4 years.

I thank you for your indication of full support, and again, I congratulate you for a fine campaign. Thank you very much.

GOVERNOR REAGAN. Mr. President, my congratulations to you. It was a good fight, Mom, and he won. My congratulations.

And, of course, you know that as we both agreed all the way from the very beginning, once the fight was over, we are on the same side, and we go forward together.

QUESTIONS

REPORTER. Mr. President, did you discuss the Vice-Presidency with Governor Reagan?

THE PRESIDENT. I talked about a number of possibilities. We had a discussion in that regard, yes.

Q. Mr. President, was Mr. Reagan one of those possibilities you discussed?

THE PRESIDENT. This is a private matter between Governor Reagan and myself, and I don't think we should comment further.

Q. Governor Reagan, are you prepared to campaign actively for President Ford in the election?

GOVERNOR REAGAN. Yes, as I have said before, and that is what I have always done and believed in with regard to the party. I will do all I can.

Q. Governor Reagan, your wife said earlier this evening that she would be happy to get back to the ranch when this is all over. Is that what is going to happen, sir?

GOVERNOR REAGAN. I want to tell you I will be happy to get back to the ranch, too, but I don't think we mean to permanently settle down there on the ranch. But I know what she meant. We are both tired—and I think we are all tired—having been through this campaign, and we are looking forward to a breathing spell.

Q. Governor Reagan, are you going to stand by your statement that you would not accept the Vice-Presidency?

GOVERNOR REAGAN. I shall stand by that statement, yes.

Q. Governor Reagan, could you turn down a draft by the convention?

GOVERNOR REAGAN. Well, now you are asking, Barry, one of those hypothetical questions. I will answer that if and when it comes.

Q. Mr. President, why did you send Ben Becker¹ out to California to negotiate the pardon with Mr. Nixon when he was under investigation for criminal tax fraud at the time?

THE PRESIDENT. I think we are discussing matters that are of much more interest at this time. I have answered it in the past. If you go back and look at the record, you will find out.

Q. Mr. President, is there a place for Ronald Reagan in your administration?

THE PRESIDENT. Of course there is. As came out during the campaign, I wanted Governor Reagan to be a part of my administration. And there certainly would be. He is a person whose philosophy is virtually identical with mine, and he certainly has indicated a great capability as an executive of the largest State in the Union. The answer is yes.

Q. Mr. President, how long is the Vice-Presidential list?

THE PRESIDENT. We will make the announcement tomorrow.

Q. Mr. President, you now, in principle, have the votes of approximately 20 percent of the electorate. How do you propose to go about getting the votes of another 31 percent?

THE PRESIDENT. That is very simple. Our philosophy, I think, is believed in by a majority of the American people today. In my opinion the Democratic ticket, nominees for President and Vice President, they have embraced the Democratic

¹ An attorney with the law firm of Cramer, Haber, and Becker, located in Washington, D.C.

platform. They have embraced the record of the Democratic Congress. Both are very vulnerable, and I don't think they coincide with the views, the philosophy of the American people today. And we are going to go out and campaign against them as candidates, against the Democratic platform, and against the Democratic congressional record. And I think the American people will support us and defeat them.

Q. Will you debate Jimmy Carter, Mr. President?

THE PRESIDENT. We don't rule it out.

Q. Mr. President, you haven't said whether you have or have not made up your mind yet about a Vice-Presidential candidate.

THE PRESIDENT. I have not.

Q. Can you tell us who is on your Vice-Presidential list?

THE PRESIDENT. I will tell you who the choice is tomorrow.

Q. What time?

THE PRESIDENT. How early do you want it? [*Laughter*]

Q. Now. It is past 2 a.m.

THE PRESIDENT. We will advise you at the appropriate time.

Q. Mr. Reagan, do you consider your philosophy almost identical with that of the President?

GOVERNOR REAGAN. I think basically it has to be pretty much the same philosophy—as I said it was when I picked Senator Schweicker—or we wouldn't be in the same party. I think there are differences. I think we have different approaches to a number of things but, I think, basically, a basic philosophy, yes.

Q. Would you be willing to serve in the Ford administration?

GOVERNOR REAGAN. I had the honor of having that offered to me once and turned it down because there was something else that I thought I would rather do. And I still believe that I would rather take up again what I was doing before I became a candidate, which was in the communications field.

Q. If the convention were to draft you, sir, would you reject any move by the convention?

GOVERNOR REAGAN. Well, I just said that that is a hypothetical question. I haven't seen any signs of such a thing happening. I will answer when I see any such signs.

Q. As hard as this campaign has been fought, do you think you would have any trouble selling Mr. Reagan to the American people, I mean, as bitterly as you have contested him?

THE PRESIDENT. I don't think our fight has been a bitter one. It has been a very hotly contested campaign. I happen to think the campaign was beneficial.

It took a lot of time, a lot of effort, but the net result is good for the Republican Party.

Q. Governor Reagan, are you saying you will permit your name to be entered for the Vice-Presidential nomination tomorrow night?

GOVERNOR REAGAN. No.

Q. You will not permit it?

GOVERNOR REAGAN. No.

Q. Mr. President, could you reflect a little on the course of the campaign, and would you explain why you think it was so difficult for you, an incumbent President, to get the nomination in your own fight to——

THE PRESIDENT. Governor Reagan is probably the most effective campaigner in the United States today. And when you are competing against a man with that skill and ability and dedication, of course it is a tough contest. I have complimented him for a fine campaign. He had a good organization. That makes it very difficult.

Q. Governor Reagan, you seem to have left the door open for a draft, or at least not closed it entirely?

GOVERNOR REAGAN. No.

Q. Are you going to instruct the States not to enter your name in nomination tomorrow evening?

GOVERNOR REAGAN. Well, I am not going to be so presumptuous as to go out there and suggest that maybe they are going to do it. That is what I meant by I haven't seen any signs of that. I will treat that at that time. But I am not going to go running out and saying don't you dare do something, and they might look at me very astounded and say, "We didn't have any intention of doing that." [*Laughter*]

Q. Mr. President, will Governor Reagan be invited to address the convention tomorrow?

THE PRESIDENT. Quite frankly, I haven't thought about it.

Q. What is your instinct about that?

THE PRESIDENT. I will talk to the Governor about it.

Q. Mr. President, do you still feel that Governor Reagan's comments about the Panama Canal in the campaign were irresponsible?

THE PRESIDENT. I support the Republican platform, which was agreed to by his people and by my people.

Q. I don't think that answers the question.

THE PRESIDENT. That is the way I will answer it. [*Laughter*]

Q. Mr. President, California and Texas and several other States were very

solid for Ronald Reagan. Tonight, after the nomination, I was quite pleased to see Texas, who fought so hard, waving Ford signs. How do you plan on carrying these States, being sure they go to Ford in November?

THE PRESIDENT. I think all during the campaign, the Ford people that I talked with indicated they would have supported Governor Reagan, and the Reagan people that I had the opportunity to talk with or heard from otherwise said they would support President Ford. I think that is true across the spectrum as far as the convention is concerned. Our principles really transcend personalities, and I think we can solidify the party, strengthen it, and win in November.

Thank you very, very much.

GOVERNOR REAGAN. Thank you.

NOTE: The President spoke at 2:05 a.m. at the Alameda Plaza Hotel, where Governor Reagan was staying during the Republican National Convention.

Following his nomination as the 1976 Republican Presidential candidate, the President went to the hotel to meet with the former.

731

Remarks to Campaign Supporters in Kansas City.

August 19, 1976

IT IS really awfully hard to express adequately my deep appreciation, that of Betty, all of the family.

As we have traveled in every one of the 50 States, you have been wonderful in helping and assisting. You have been tremendous here as an inspiration in the closing minutes of a tough ball game.

When things didn't go as well as we would have liked, we know that we had literally millions and millions of people—young, old, all kinds of Americans—who were out there willing to go to the mat to help us. And I want you to know that helped us get through and win, and win on November 2.

I want you to know that I just returned from a meeting with Governor Reagan. I complimented him on a real good campaign. I indicated that we certainly wanted him to be standing shoulder to shoulder with us in the months ahead. And I am glad to report that he indicated he would be there fighting just as hard as I am.

So, I think we can leave that arena tomorrow night unified, vigorous, determined to win for the American people on November 2.

Thank you.

NOTE: The President spoke at 2:25 a.m. in the Lobby at the Crown Center Hotel.

732

Remarks in Kansas City Announcing Senator Robert Dole of Kansas as the President's Selection for the Vice-Presidential Nomination. August 19, 1976

IT IS a very great occasion for me, it is a very proud moment for me, to have the opportunity of introducing my running mate for this campaign in 1976.

I am really thrilled with the opportunity of having Bob Dole as my running mate. I am enthusiastic for a number of reasons. I have known Bob Dole a good many years. I served with him in the House of Representatives for 8 years. He served with great distinction not only in the House but in the Senate of the United States, representing the great State of Kansas. Bob Dole, of course, had an outstanding record in the military service in World War II. Bob Dole has been a team player. Bob Dole's philosophy and mine coincide almost identically. Bob Dole is a good campaigner. Bob Dole will help to heal any divisiveness within the party.

I have talked to Governor Reagan and told him of my selection. Governor Reagan has endorsed my selection of Bob Dole as my running mate. I have consulted with others who were very, very strong as potential candidates as my running mate, and all of them have indicated their support, their endorsement, of Bob Dole.

So, it is a great pleasure, privilege, and I am extremely proud to introduce to you Senator Bob Dole of the great State of Kansas as my running mate for victory in 1976.

Bob.

SENATOR DOLE. Thank you, Mr. President.

Mrs. Ford, Mr. Vice President, let me first introduce my wife, Elizabeth, from the State of North Carolina. And that will be part of our Southern strategy. *[Laughter]*

Let me also indicate that I did not expect to receive a phone call this morning, but I am very pleased that we were in. *[Laughter]*

I have known, of course, President Ford at a time when I could call him Jerry. As he has indicated, we served in the House together. He has been in many places in Kansas on my behalf. And I remember in 1974 when the going was tough and I was trying to be reelected, one of the President's—I think the President's last—campaign stops was in Wichita, Kansas, in the rain. And he came there to help me, and I won by a very narrow margin after trailing some

12 points in the polls. I say that to indicate his great help and also the fact that you can catch up if you are behind.

The Vice President, of course, was one of my earlier supporters in Kansas. And he came to Kansas, I think, to visit Alf Landon, and while he was there I had him do a little work for me. And that was very helpful, too.

One of my other great supporters was Governor Reagan. He came to Wichita and did an outstanding job on my behalf. He is a great Republican, and I am certainly pleased that he has indicated that I will be all right. [*Laughter*]

So, I am just very pleased to be here. I am very proud to be on the ticket with President Ford for many, many reasons that I will go into as I go along the campaign trail.

I think he has an outstanding record. I am realistic. I know there is work to be done between now and November—in fact, only about a little over 8 weeks—but I want to be a part of a winning combination.

It is my opinion that we can win based on his leadership. I am not certain what I can add to the ticket, but I will work hard and do the best I can, not just for the Republican Party but because I think America needs President Ford's leadership for 4 more years.

Thank you very much.

THE PRESIDENT. We have on the podium, just to indicate and to show the unity that has come out of a tough struggle and very hard competition, some people that I think will be extremely helpful and beneficial in the 74 days between now and November 2.

Of course the Vice President has, himself, been a tower of strength in the 2 years that I have been President. He has not only done a great job as Vice President but he has been of inestimable help to me in making some decisions. He fully supports this choice. He was in on the final decisionmaking.

But, I think, in addition to that kind of support, we are fortunate to have here two outstanding United States Senators who, for the last few months, have been on the opposite side, but who have, while they were performing their senatorial duties, worked together on many occasions. I think the fact that Senator Paul Laxalt, who was chairman of Governor Reagan's campaign, and Senator Bob Griffin, who has been a long-time friend and supporter of mine and the minority whip in the United States Senate, can be here indicates their joint efforts. And I think it would be nice if Bob and Paul came forth and maybe said a word together or individually.

Bob.

SENATOR GRIFFIN. Paul and I have been very good, close friends in the United

States Senate, and one of the great experiences of my participation in this campaign is to work with a counterpart like Paul Laxalt, who is always straightforward, who is always responsible, and whose word was as good as gold.

Paul, you have been a great leader of the opposition. We are so happy that we are going to be working together from now on.

SENATOR LAXALT. Thank you, Bob, very much.

We worked for months in an effort to have a harmonious convention, and I think we achieved that. And it has been due, in great part, to Bob Griffin.

I might say, also, that I couldn't be more delighted than to hear the news this morning about Dole's selection. In my judgment he is going to make a tremendous candidate. He is sound philosophically. My daughter and others consider him to be a fox. [*Laughter*] And he is going to bring to the campaign, I think, a delightful sense of humor which we are going to need in the next 8 weeks.

I think we have in these two men the potential of a winning combination, and I am looking forward to working with both of them in the next several weeks.

Thank you.

THE PRESIDENT. Last, but not least, as I said, a man who has done a super job as Vice President. I would like to introduce to all of you, so he can indicate his feelings, the Vice President of the United States.

VICE PRESIDENT ROCKEFELLER. *Mr. President, Vice President-designate, distinguished ladies and gentlemen:*

To me, this is a very important moment for every American and for the world, because the United States has been through, as have other countries of the world, a most difficult period. If we think back 2 years ago where this country was and where the world was and think what President Ford has done to restore the confidence of the American people in government, to restore the vitality and dynamism of our economy, to stop inflation, to move forward on employment, to regain the confidence of the leaders of the world, of the people of the world in America, America has been waiting and the world has been waiting for this decision. I think we are fortunate, ladies and gentlemen, that the people of this country and, therefore, the people of the world are going to have the chance to select these two leaders to carry on the kind of responsible government in which America and the world can have trust and confidence to preserve freedom, respect for dignity, and equality of opportunity for all.

Thank you.

THE PRESIDENT. I thought you might like to get a picture of the beauty of the Ford-Dole team, and I think both Bob and I couldn't be happier to have them

out helping and assisting. And believe me, the Ford-Dole team is not just two of us, we have got four of us.

We have got some other members of the Ford family—Mike and Gayle, Steve and Susan. I don't know whether we have got Jack or not yet, but he, as you all know, has been doing quite a bit—and Michelle, Senator Laxalt's daughter. I think you ought to get a good chance to see what this kind of an outfit is going to be. And we are going to get Bob's daughter. We didn't have much time to get that coordinated, but she will be here.

Thank you all very much. You will see a lot of us. We will be out there battling. We will be out there doing a good job. I couldn't be happier than having Bob Dole as Vice President.

Thank you all very much.

NOTE: The President spoke at 12:05 p.m. in the Century Room at the Crown Center Hotel.

733

Remarks in Kansas City Upon Accepting the 1976 Republican Presidential Nomination. August 19, 1976

Mr. Chairman, delegates and alternates to this Republican Convention:

I am honored by your nomination, and I accept it with pride, with gratitude, and with a total will to win a great victory for the American people. We will wage a winning campaign in every region of this country, from the snowy banks of Minnesota to the sandy plains of Georgia. We concede not a single State. We concede not a single vote.

This evening I am proud to stand before this great convention as the first incumbent President since Dwight D. Eisenhower who can tell the American people America is at peace.

Tonight I can tell you straightaway this Nation is sound, this Nation is secure, this Nation is on the march to full economic recovery and a better quality of life for all Americans.

And I will tell you one more thing: This year the issues are on our side. I am ready, I am eager to go before the American people and debate the real issues face to face with Jimmy Carter. The American people have a right to know first-hand exactly where both of us stand.

I am deeply grateful to those who stood with me in winning the nomination of the party whose cause I have served all of my adult life. I respect the convic-

tions of those who want a change in Washington. I want a change, too. After 22 long years of majority misrule, let's change the United States Congress.

My gratitude tonight reaches far beyond this arena to countless friends whose confidence, hard work, and unselfish support have brought me to this moment. It would be unfair to single out anyone, but may I make an exception for my wonderful family—Mike, Jack, Steve, and Susan and especially my dear wife, Betty.

We Republicans have had some tough competition. We not only preach the virtues of competition, we practice them. But tonight we come together not on a battlefield to conclude a cease-fire, but to join forces on a training field that has conditioned us all for the rugged contest ahead. Let me say this from the bottom of my heart: After the scrimmages of the past few months, it really feels good to have Ron Reagan on the same side of the line.

To strengthen our championship lineup, the convention has wisely chosen one of the ablest Americans as our next Vice President, Senator Bob Dole of Kansas. With his help, with your help, with the help of millions of Americans who cherish peace, who want freedom preserved, prosperity shared, and pride in America, we will win this election. I speak not of a Republican victory, but a victory for the American people.

You at home listening tonight, you are the people who pay the taxes and obey the laws. You are the people who make our system work. You are the people who make America what it is. It is from your ranks that I come and on your side that I stand.

Something wonderful happened to this country of ours the past 2 years. We all came to realize it on the Fourth of July. Together, out of years of turmoil and tragedy, wars and riots, assassinations and wrongdoing in high places, Americans recaptured the spirit of 1776. We saw again the pioneer vision of our revolutionary founders and our immigrant ancestors. Their vision was of free men and free women enjoying limited government and unlimited opportunity. The mandate I want in 1976 is to make this vision a reality, but it will take the voices and the votes of many more Americans who are not Republicans to make that mandate binding and my mission possible.

I have been called an unelected President, an accidental President. We may even hear that again from the other party, despite the fact that I was welcomed and endorsed by an overwhelming majority of their elected representatives in the Congress who certified my fitness to our highest office. Having become Vice President and President without expecting or seeking either, I have a special

feeling toward these high offices. To me, the Presidency and the Vice-Presidency were not prizes to be won, but a duty to be done.

So, tonight it is not the power and the glamour of the Presidency that leads me to ask for another 4 years; it is something every hard-working American will understand—the challenge of a job well begun, but far from finished.

Two years ago, on August 9, 1974, I placed my hand on the Bible, which Betty held, and took the same constitutional oath that was administered to George Washington. I had faith in our people, in our institutions, and in myself. “My fellow Americans,” I said, “our long national nightmare is over.”

It was an hour in our history that troubled our minds and tore at our hearts. Anger and hatred had risen to dangerous levels, dividing friends and families. The polarization of our political order had aroused unworthy passions of reprisal and revenge. Our governmental system was closer to stalemate than at any time since Abraham Lincoln took the same oath of office. Our economy was in the throes of runaway inflation, taking us headlong into the worst recession since Franklin D. Roosevelt took the same oath.

On that dark day I told my fellow countrymen, “I am acutely aware that you have not elected me as your President by your ballots, so I ask you to confirm me as your President with your prayers.”

On a marble fireplace in the White House is carved a prayer which John Adams wrote. It concludes, “May none but honest and wise men ever rule under this roof.” Since I have resided in that historic house, I have tried to live by that prayer. I faced many tough problems. I probably made some mistakes, but on balance, America and Americans have made an incredible comeback since August 1974. Nobody can honestly say otherwise. And the plain truth is that the great progress we have made at home and abroad was in spite of the majority who run the Congress of the United States.

For 2 years I have stood for all the people against a vote-hungry, free-spending congressional majority on Capitol Hill. Fifty-five times I vetoed extravagant and unwise legislation; 45 times I made those vetoes stick. Those vetoes have saved American taxpayers billions and billions of dollars. I am against the big tax spender and for the little taxpayer.

I called for a permanent tax cut, coupled with spending reductions, to stimulate the economy and relieve hard-pressed, middle-income taxpayers. Your personal exemption must be raised from \$750 to \$1,000. The other party’s platform talks about tax reform, but there is one big problem—their own Congress won’t act.

I called for reasonable constitutional restrictions on court-ordered busing of

schoolchildren, but the other party's platform concedes that busing should be a last resort. But there is the same problem—their own Congress won't act.

I called for a major overhaul of criminal laws to crack down on crime and illegal drugs. The other party's platform deplores America's \$90 billion cost of crime. There is the problem again—their own Congress won't act.

The other party's platform talks about a strong defense. Now, here is the other side of the problem—their own Congress did act. They slashed \$50 billion from our national defense needs in the last 10 years.

My friends, Washington is not the problem; their Congress is the problem.

You know, the President of the United States is not a magician who can wave a wand or sign a paper that will instantly end a war, cure a recession, or make bureaucracy disappear. A President has immense powers under the Constitution, but all of them ultimately come from the American people and their mandate to him. That is why, tonight, I turn to the American people and ask not only for your prayers but also for your strength and your support, for your voice, and for your vote.

I come before you with a 2-year record of performance without your mandate. I offer you a 4-year pledge of greater performance with your mandate. As Governor Al Smith used to say, "Let's look at the record."

Two years ago inflation was 12 percent. Sales were off. Plants were shut down. Thousands were being laid off every week. Fear of the future was throttling down our economy and threatening millions of families.

Let's look at the record since August 1974. Inflation has been cut in half. Payrolls are up. Profits are up. Production is up. Purchases are up. Since the recession was turned around, almost 4 million of our fellow Americans have found new jobs or got their old jobs back. This year more men and women have jobs than ever before in the history of the United States. Confidence has returned, and we are in the full surge of sound recovery to steady prosperity.

Two years ago America was mired in withdrawal from Southeast Asia. A decade of Congresses had shortchanged our global defenses and threatened our strategic posture. Mounting tension between Israel and the Arab nations made another war seem inevitable. The whole world watched and wondered where America was going. Did we in our domestic turmoil have the will, the stamina, and the unity to stand up for freedom?

Look at the record since August, 2 years ago. Today America is at peace and seeks peace for all nations. Not a single American is at war anywhere on the face of this Earth tonight.

Our ties with Western Europe and Japan, economic as well as military, were

never stronger. Our relations with Eastern Europe, the Soviet Union, and mainland China are firm, vigilant, and forward looking. Policies I have initiated offer sound progress for the peoples of the Pacific, Africa, and Latin America. Israel and Egypt, both trusting the United States, have taken an historic step that promises an eventual just settlement for the whole Middle East.

The world now respects America's policy of peace through strength. The United States is again the confident leader of the free world. Nobody questions our dedication to peace, but nobody doubts our willingness to use our strength when our vital interests are at stake, and we will. I called for an up-to-date, powerful Army, Navy, Air Force, and Marines that will keep America secure for decades. A strong military posture is always the best insurance for peace. But America's strength has never rested on arms alone. It is rooted in our mutual commitment of our citizens and leaders in the highest standards of ethics and morality and in the spiritual renewal which our Nation is undergoing right now.

Two years ago people's confidence in their highest officials, to whom they had overwhelmingly entrusted power, had twice been shattered. Losing faith in the word of their elected leaders, Americans lost some of their own faith in themselves.

Again, let's look at the record since August 1974. From the start my administration has been open, candid, forthright. While my entire public and private life was under searching examination for the Vice-Presidency, I reaffirmed my lifelong conviction that truth is the glue that holds government together—not only government but civilization itself. I have demanded honesty, decency, and personal integrity from everybody in the executive branch of the Government. The House and Senate have the same duty.

The American people will not accept a double standard in the United States Congress. Those who make our laws today must not debase the reputation of our great legislative bodies that have given us such giants as Daniel Webster, Henry Clay, Sam Rayburn, and Robert A. Taft. Whether in the Nation's Capital, the State capital, or city hall, private morality and public trust must go together.

From August of 1974 to August of 1976, the record shows steady progress upward toward prosperity, peace, and public trust. My record is one of progress, not platitudes. My record is one of specifics, not smiles. My record is one of performance, not promises. It is a record I am proud to run on. It is a record the American people—Democrats, Independents, and Republicans alike—will support on November 2.

For the next 4 years I pledge to you that I will hold to the steady course we have begun. But I have no intention of standing on the record alone.

We will continue winning the fight against inflation. We will go on reducing the dead weight and impudence of bureaucracy. We will submit a balanced budget by 1978.

We will improve the quality of life at work, at play, and in our homes and in our neighborhoods. We will not abandon our cities. We will encourage urban programs which assure safety in the streets, create healthy environments, and restore neighborhood pride. We will return control of our children's education to parents and local school authorities.

We will make sure that the party of Lincoln remains the party of equal rights.

We will create a tax structure that is fair for all our citizens, one that preserves the continuity of the family home, the family farm, and the family business.

We will ensure the integrity of the social security system and improve Medicare so that our older citizens can enjoy the health and the happiness that they have earned. There is no reason they should have to go broke just to get well.

We will make sure that this rich Nation does not neglect citizens who are less fortunate, but provides for their needs with compassion and with dignity.

We will reduce the growth and the cost of government and allow individual breadwinners and businesses to keep more of the money that they earn.

We will create a climate in which our economy will provide a meaningful job for everyone who wants to work and a decent standard of life for all Americans. We will ensure that all of our young people have a better chance in life than we had, an education they can use, and a career they can be proud of.

We will carry out a farm policy that assures a fair market price for the farmer, encourages full production, leads to record exports, and eases the hunger within the human family. We will never use the bounty of America's farmers as a pawn in international diplomacy. There will be no embargoes.

We will continue our strong leadership to bring peace, justice, and economic progress where there is turmoil, especially in the Middle East. We will build a safer and saner world through patient negotiations and dependable arms agreements which reduce the danger of conflict and horror of thermonuclear war. While I am President, we will not return to a collision course that could reduce civilization to ashes.

We will build an America where people feel rich in spirit as well as in worldly

goods. We will build an America where people feel proud about themselves and about their country.

We will build on performance, not promises; experience, not expediency; real progress instead of mysterious plans to be revealed in some dim and distant future. The American people are wise, wiser than our opponents think. They know who pays for every campaign promise. They are not afraid of the truth. We will tell them the truth.

From start to finish, our campaign will be credible; it will be responsible. We will come out fighting, and we will win. Yes, we have all seen the polls and the pundits who say our party is dead. I have heard that before. So did Harry Truman. I will tell you what I think. The only polls that count are the polls the American people go to on November 2. And right now, I predict that the American people are going to say that night, "Jerry, you have done a good job, keep right on doing it."

As I try in my imagination to look into the homes where families are watching the end of this great convention, I can't tell which faces are Republicans, which are Democrats, and which are Independents. I cannot see their color or their creed. I see only Americans.

I see Americans who love their husbands, their wives, and their children. I see Americans who love their country for what it has been and what it must become. I see Americans who work hard, but who are willing to sacrifice all they have worked for to keep their children and their country free. I see Americans who in their own quiet way pray for peace among nations and peace among themselves. We do love our neighbors, and we do forgive those who have trespassed against us.

I see a new generation that knows what is right and knows itself, a generation determined to preserve its ideals, its environment, our Nation, and the world.

My fellow Americans, I like what I see. I have no fear for the future of this great country. And as we go forward together, I promise you once more what I promised before: to uphold the Constitution, to do what is right as God gives me to see the right, and to do the very best that I can for America.

God helping me, I won't let you down.

Thank you very much.

NOTE: The President spoke at 10:45 p.m. in Kemper Arena. His remarks were broadcast live on radio and television.

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Remarks at a Republican National Committee Breakfast in Kansas City. August 20, 1976

Ray and Bob and Elizabeth, all the wonderful people here from the national committee:

I talked a little long last night, and I have got to save my voice for Russell, Kansas. [*Laughter*] But I did want to say a few things.

Ray was mentioning some of our past relationships with the national committee, and Ray became national chairman in 1965. We went through some real tough times rebuilding in 1965–1966, and because we all stuck together and worked together, we came back magnificently in 1966 and laid the groundwork for the success of 1968.

As Bob was speaking, I couldn't help but reminisce a bit in my mind. Back in January of 1965, I had the audacity to challenge for the Republican leadership. And I can recall Bob coming in with three other very important and influential Members of the House of Representatives from Kansas, and I did my utmost to sell them on why I should be the minority leader. They went out—no commitment. They are pretty cozy negotiators. [*Laughter*] But anyhow, the next day or 2, we had the vote, and I won by the landslide margin of 73 to 67. Ever since then Dole has been saying Kansas did it. [*Laughter*]

But then that also was a very distinct part of the momevent that we have followed in trying to rebuild the party and to make it the kind of a party that not only holds the White House but holds the city hall, the courthouse, state-house, and the Congress of the United States.

We had a tough process, as all of you know, in going through the day-to-day operations. I was very pleased to have an opportunity to meet a number of you who served on the rules committee or the platform committee. I was just overwhelmed by the tremendous warmth and reception of last night.

I think we have conducted ourselves here in Kansas City in a superb way. The impression the American people will have will be that of a party that is able to compete, able to work out responsibly and properly compromises that are needed and necessary. We can act like real zealots but also great Americans.

I think we ought to take a look at some of the things the national committee can do between now and 1980. And let me assure you, Ray and Mary Louise,¹ my past interest in and support for the national committee will not fade away.

¹ Mary Louise Smith, Republican National Committee chairman.

It is going to be there because I know how important, how vital each of you are and what all of you do. But I think as we look down the road to 1980, some of the things that came up during this past week, the procedures that can be followed, the way things can be done ought to be looked at.

Now, I know very vividly how things went on 16-C. [*Laughter*] But I happen to believe that there is a considerable amount of merit to that approach if we go through the process in the right way, and I believe that the national committee ought to take a hard look at it and perhaps lay the groundwork for 1980.

All I am saying is we cannot do everything in the future the way we have done them in the past because things change. And we as a party and we as individuals and we as candidates have to meet the challenge for tomorrow if we are going to win tomorrow, and that is what we are going to do.

Thank you very much.

NOTE: The President spoke at 8:40 a.m. at the Radisson Muehleback Hotel. In his opening remarks, he referred to Ray C. Bliss, Republican

National Committee chairman 1965–69, and Senator Robert Dole of Kansas and his wife, Elizabeth.

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Remarks at a Picnic Honoring Senator Robert Dole in Russell, Kansas. August 20, 1976

THANK YOU very, very much, Bob.

It is good to see Mayor Roger Williams coming back from Washington. He said he straightened everything out back in Washington. I don't have the same problem in Russell, Kansas. [*Laughter*]

It's great to be here with Governor Bennett, Lieutenant Governor Smith, my very good friend, your Senator, Jim Pearson, my long-time and very good friend, Keith Sebelius. It's just nice to be here in the great State of Kansas.

I know that you produce a tremendous amount of wheat. I know that you're a great cattle-producing State. I know that you make a significant contribution in the production of oil energy which we need so badly. But the thing that impresses me—and I think it's worth noting—the great State of Kansas produces some great statesmen.

You can run down the list from Dwight D. Eisenhower to Alf Landon to former Senator Frank Carlson to another fine Senator, Harry Darby. And as Bob Dole, said, I have been out in this part of Kansas on a number of occasions. I was out in Great Bend a year or so ago. I went to Dodge City and survived.

[*Laughter*] But during the time that I served in the Congress of the United States, in the House, I got to know a great, great Congressman, he was a pretty big guy, Wynn Smith. And he was followed by Bob Dole, and now Keith Sebelius. What I'm really saying is you not only produce cattle and wheat and energy but, doggone it, you produce great people.

When I looked over the list of people that I wanted to be my teammate in the months ahead, for the first 75 days while we go through a tough campaign so we can have the privilege and the honor of winning November 2 and serving the American people for the next 4 years—Bob Dole was the guy.

Let me mention just one or two reasons why Bob makes a wonderful teammate. We have to bring Washington, D.C., and local government closer together. Bob Dole was your county prosecutor, or county attorney, for 6 or 8 years. He understands the problems of local communities and their relationship with the Federal Government. We have to establish a better relationship between State government and the Government in Washington. Bob Dole served in your State legislature, so he understands the problems of the statehouse and the State legislature.

Bob Dole served in the House of Representatives for 8 years in Washington, D.C., representing this great western part of the State of Kansas. So he understands all of your individual problems.

I will bet Bob could look around this group from Russell, Kansas, mention many, many, many by name, and could refresh your memories—and his—of how he helped you to do this or helped you do that. Bob is the kind of a person who has a personal contact with people.

Then, of course, he has done a superb job in the United States Senate. Bob served in the House of Representatives on the Committee on Agriculture. He served in the Senate on the Committee on Agriculture as well as the Committee on Finance. Those are two very, very key committees that involve not only the people of Russell, Kansas, but 49 other States.

Let me just talk for a minute about the input that Bob can have and why his part on the ticket is so essential.

First, we have got to find a way to give greater tax relief to the middle-income people of this country who have been shortchanged over the years. About a week ago the United States Senate was considering this tax bill that has been there for consideration for some time. Bob took the initiative, on a recommendation made by me, to take some real relief for middle-income taxpayers. He offered the amendment to increase the personal exemption for every taxpayer from \$750 a person to \$1,000.

But I've been talking to Bob about another problem that involves his Committee on Finance. It is extremely important. If we want to maintain the continuity of the family farm and the small family business, we have to increase the estate tax exemption from \$60,000 to at least \$150,000.

But then Bob, in addition to his responsibilities on the Committee on Finance, has been a stalwart friend of the farmer on the Committee on Agriculture. Bob has talked to me not once, but many times about the problems that agriculture faces, and he has been one of the most ardent and effective advocates.

Let me summarize to all of you right out here in the heartland of agriculture, in Russell, Kansas, what I said to the American people last night. The farmers of America must get a fair price in a free market. We want an expanded production, an increase in our exports. We want to be able as a humanitarian country to help feed the people around the world, because that's our responsibility. But let me add this: This administration will never make the hard work and the production of the American farmer a pawn in international diplomacy. Then one final comment—two words: This administration will have no embargoes, period.

But this great country, as I said last night, offers to the young an opportunity; to the old, certainty, happiness, and security; to the businessman, to the farmer, an opportunity to move ahead as your forefathers have done. I think every person that I look at who has children or grandchildren has worked hard, has sacrificed, has done all of the things for one single reason: We want to make a better America for the children and grandchildren that will follow us. That's our tradition; that's what we're going to do.

It's great to be in Russell. When I called Bob yesterday, I said, "Bob, I would like you to be on the team." He thought for a moment and then he said, "I have got to have one commitment." I said, "Well, don't hesitate too long." [*Laughter*] He said, "Will you come to Russell, Kansas, tomorrow?" I said "Yes."

So, here we are. I can't express my appreciation and gratitude adequately. I'm looking forward to an opportunity to say hello and shaking a good many hands. We'll stick with you. We need your help to keep America going to peace, prosperity, and trust for the next 4 years.

Thank you very, very much.

NOTE: The President spoke at 12:34 p.m. on the Courthouse grounds in Senator Dole's hometown. In his remarks, he referred to Mayor Roger Williams

of Russell and Gov. Robert F. Bennett, Lt. Gov. Shelby Smith, and Representative Keith Sebelius of Kansas.

736

Message to the Congress on the 1977 Defense Budget.
August 23, 1976

To the Congress of the United States:

My total fiscal year 1977 Budget request for national defense, including amendments, is \$114.9 billion in budget authority. This budget request is based upon a careful assessment of the international situation and of the contingencies we must be prepared to meet. The request is substantial, as it must be to provide what is necessary for our national security.

When I submitted my budget last January, I pointed out that the request might need to be increased for three reasons: (1) in the event that the Congress did not approve legislative proposals necessary to reduce spending in lower-priority areas involving manpower and related costs and sale of unneeded items from the stockpile; (2) in the shipbuilding area, where a National Security Council study then under way, could lead to an increase in the shipbuilding budget; and (3) a possible increase later in the year depending on the progress of the SALT II negotiations and our continuing assessment of Soviet ICBM programs. Indeed, there have been changes in these areas and they have been reflected in my revised budget request.

On July 14, 1976, I approved legislation authorizing 1977 appropriations for procurement and for research and development programs. At that time I indicated that in a number of important respects the Congress has not fully faced up to the nation's needs. First, the Congress has not approved a number of essential Defense programs. Second, the Congress has added programs and funds which are of a lower priority. Finally, the Congress has not yet acted upon certain of my legislative proposals which are necessary to restrain manpower cost growth and to achieve other economies. These three areas require remedial action by the Congress.

Therefore, today I am advising the Congress that failure to take the necessary remedial actions will result in a revised 1977 estimate for National Defense of \$116.3 billion. This revised estimate reflects the following adjustments:

	<i>Budget Authority (\$ billions)</i>
Amended budget request.....	\$114.9
Congressional adjustments, net.....	—1.8
	<hr/>
Congressional action to date.....	113.1

	<i>Budget Authority (\$ billions)</i>
Adjustments in this Message:	
(a) Resubmission of Congressional authorization reductions.....	+2.4
(b) Deletion of programs added by Congress.....	— .6
(c) Congressional inaction on Defense Management economics.....	+1.4
(d) Additional recruiting requirements (\$39 million).....	.....
	<hr/>
Revised National Defense estimate.....	116.3

Resubmission of Congressional Authorization Reductions

I am having resubmitted authorization requests for \$2.4 billion in program reductions imposed by the Congress.

Shipbuilding. Congress has not thus far authorized \$1.7 billion requested for new ship programs that are needed to strengthen our maritime capabilities and assure freedom of the seas. In particular, funds have been denied for the lead ships for two essential production programs—the nuclear strike cruiser and the conventionally-powered *Aegis* destroyer—and for four modern frigates. The 1977 program was proposed as the first step of a sustained effort to assure that the United States, along with our allies, can maintain maritime defense, deterrence, and freedom of the seas. Therefore, I am submitting a supplemental authorization request for 1977 to provide for these ships as well as for the research and development to upgrade U.S. ship capabilities in the near-term and to create longer-term alternatives to conventional surface forces.

Other Programs. The Congress has also failed to authorize over \$900 million requested for other Defense procurement and research and development programs. While some of these adjustments can be accepted due to fact-of-life program developments, I must request a supplemental authorization of \$759 million for programs which are urgently needed. In particular, I reaffirm the need for the following programs, and request restoration of the indicated amounts to the Authorization Act:

- \$19 million for the Defense Agencies research and development appropriation, principally to provide the needed resources for the Defense Advanced Research Projects Agency.

- \$20 million for civil aircraft modifications, clearly the most cost-effective option for enhancing our airlift capability. These modifications should be a part of any airlift improvement program, and the needed funds should not be denied while other airlift improvements are under consideration.

- \$171 million for the Air Force research and development appropriation. Our most urgent needs here include funds for the *Maverick* missile needed to start engineering development for advanced warhead and single rail launches

and advanced ICBM technology funds needed to identify the most cost-effective option for full-scale development.

- \$136 million for the F-16 fighter aircraft, to provide full funding for 1977 in accordance with sound budgetary principles. Since Congress approved the full program, this cut is illusory and would serve only to complicate management and make potential foreign buyers less confident of this program.

- \$122 million for the Army research and development appropriation to cover urgent programs such as the *Stinger* missile, where the Authorization Act would impair the development effort for an improved target-seeking technique. This effort is critical to achieving the needed improvements over the current *Redeye* missile.

- \$211 million for the Navy research and development appropriation to provide what is needed for several essential programs, in particular the Navy cruise missile program. The Authorization Act would prevent our moving forward at the pace needed to assure that sub and surface launch options can be operational by 1980.

- \$66 million for production of the US-3A carrier delivery aircraft, necessary to replace aging aircraft and to provide the necessary numbers of aircraft with sufficient operating range to support our carrier forces. The Authorization Act does not meet our military needs, and would provide an uneconomical production rate.

- \$15 million for the MK-30 mobile target, critically needed for anti-submarine warfare training.

Programs Added by Congress

While the Congress disapproved several programs which are essential to our national security, \$1.1 billion was added to the budget request for items for which I did not request funds for 1977. Although I continue to believe that all of these programs are unnecessary at the present time, I specifically urge the Congress to delete \$584 million for the following programs:

- Conversion of the cruiser *Long Beach* (\$371 million) which can readily be postponed.

- Repair and modernization of the cruiser *Belknap* (\$213 million) damaged in a collision, for which funds should be authorized in the Transition Quarter as I have requested.

I proposed that Congress authorize funds for repair of the *Belknap* in the current transition quarter, and delete the funds for the *Long Beach*, which is of lower priority than the conventionally powered *Aegis* destroyer and the *Strike*

Cruiser which the Congress reduced. If the Congress does not act favorably upon this request, funds would have to be added on top of my revised 1977 Defense budget request.

Congressional Inaction on Defense Management Economies

My 1977 Defense budget estimates were based upon the assumption that the Congress would act favorably upon a number of specific legislative proposals, thereby achieving major economies. These savings involve pay costs and related compensation areas and sales of certain materials from the national stockpile.

In these areas alone, the budget reflected savings of \$4.0 billion for FY 1977. For the five-year period FY 1977-81, my proposals would save \$27 billion. Of these savings, nearly \$11 billion can be realized by administrative action in revising the pay comparability process for general schedule and military personnel. I am taking the required actions. Over \$16 billion of the savings are dependent upon Congressional action, however, and these are the items which I wish to address. Let me summarize these savings proposals requiring action by the Congress:

- \$4.7 billion (including \$276 million in FY 1977) would result from revisions in the Federal wage board pay system to provide pay rates that are truly comparable with those in the private sector.

- \$1.1 billion (including \$163 million in FY 1977) would result from changing pay practices in the Reserve and National Guard, modifying training and assignment policies, and transferring 44,500 Naval reservists to a different pay category. My proposals provide the levels of reserve readiness needed, and they are equitable.

- \$1.7 billion (including \$61 million in FY 1977) would result from holding future increases in military retired pay to changes in the cost of living, eliminating the additional increment which present law provides. I am aware that the Congress has approved this change for military retirees *contingent* upon Congressional approval of this change for civilian retirees as well.

- \$1.4 billion (including \$92 million in FY 1977) would result from reducing the subsidy in military commissaries on a phased basis, while still providing much lower prices than are available in commercial stores. This proposal is entirely equitable considering current levels of military compensation and other relevant factors.

- \$2.6 billion (including \$746 million in FY 1977) would result from sale of items from the national stockpile, which are excess to our requirements.

- \$4.7 billion (including \$384 million in FY 1977) would result from a num-

ber of proposals which appear to be well on their way to enactment. These include employment cutbacks, a move toward a fair-market-rental-system for military personnel, and revisions in certain payments for leave.

I am deeply concerned by the apparent intent to reject a large portion of these proposed savings, and to make up the difference by cutbacks in urgently-needed defense programs. The conference report on the first budget resolution states, in fact, that other defense cuts will be made if these proposed savings cannot be realized. This would be a totally unwarranted course of action. If Congress is unwilling to enact the necessary changes to end these unjustifiable outlays, then we must pay for these items from our pocketbooks—not by slashing our national security. We simply cannot sacrifice our national security to provide for unproductive fringe items and unwarranted levels of compensation.

Once again I urge the Congress to take the necessary actions I have proposed in order to achieve real economies in the national defense program, and not to add the new requirements now under consideration. While I am not now requesting additional appropriations for these items, I want to make it clear that if the Congress fails to take the proper action, I will request again that the additional appropriations be provided. Failure to do so would result in an unbalanced national defense program.

Additional Requirements

Finally, I have approved an amendment in the amount of \$39 million to the 1977 Defense budget to provide additional funds for enlistment bonuses to recruit the required numbers of high school graduates for the Army. Recruiting success, particularly as measured in terms of quality, has proven to be sensitive to the level of resources available, and any significant reduction of resources reduces program effectiveness in the long run. We must reverse the recent practice for curtailing budget dollars devoted to recruiting and invest this amount as a contribution towards the relatively small additional resources necessary to maintain a successful program over the long term.

Submission of Legislative Proposals and Appropriation Requests

Proposals for authorizing legislation and appropriation requests will be submitted to the Congress as necessary to provide for these requirements. Requests covering weapons procurement, RDT&E and recruiting activities are being transmitted now. The remainder of the additional appropriation requests—principally those relating to the compensation area—will, in accordance with the normal budgetary cycle, be transmitted in January 1977. There is yet time

for the Congress to act upon my restraint proposals so that this large additional January submission will not be necessary. Once again, I urge the Congress to act. If the Congress does not take the necessary action, the additional funds will be required and I will request that the Congress provide them.

In withholding my approval from the Military Construction Authorization Bill (H.R. 12384), I noted several points that are also germane here. Section 612 of that Bill would impose severe restrictions and delays upon base closures or employment reductions at certain military installations. As I stated at that time, the nation's taxpayers rightly expect the most defense possible for their tax dollars. Provisions such as Section 612 would add arbitrarily and unnecessarily to the tax burden of the American people. We must have the latitude to take actions to cut unnecessary defense spending and personnel. Congress should reenact this otherwise acceptable legislation without the objectionable base closure provision.

As I have consistently indicated, I am determined that the national security efforts of the United States shall be fully adequate. This message indicates what is necessary to ensure that adequacy. It is up to the Congress to act promptly to provide the resources necessary to do the job.

GERALD R. FORD

The White House,
August 23, 1976.

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Exchange With Reporters in Vail, Colorado. August 24, 1976

GOOD MORNING. It is my very strong conviction that the American people have a right to know where I stand on the issues and where my opponent stands on the issues. I challenged my opponent to a series of debates. I feel very strongly that the first debate should come a day or two after Labor Day, and I suggest perhaps September 8, September 9, and September 10.

I think there should be four debates, and each debate should involve no less than 90 minutes on each occasion. The subject matters, of course, are those issues that the American people will want to know where my opponent stands, where I stand. They have a right to know.

I feel, for example, the first debate ought to involve national defense. The other three issues would be domestic policy, foreign policy, economic policy.

With that overall format and with the debates starting as quickly as possible,

I think we will get this campaign off on the right track. I look forward to the first one and each of the next three, and the sooner we get started, the better.

Thank you very much.

I issued a very special invitation last night to have all of you join me this afternoon, and I hope that you'll walk or ride—and no interviews on the 19th hole, Helen [Helen Thomas, United Press International]. We'll see you this afternoon and look forward to the chance to see you from time to time here.

REPORTER. Have you passed this word to Carter yet on the debates?

THE PRESIDENT. I am depending on all of you to transmit this information.

Q. Mr. President, before we get to the 19th hole, there's been a report this morning criticizing the administration's leadership on desegregation and blaming it for efforts to limit the scope of this legislation. Can you tell us about that?

THE PRESIDENT. I think the Department of Justice and the Department of HEW have followed the law, and I have faith in the Attorney General and the Secretary of HEW.

Q. Mr. President, are these debates designed to help you pull up in the polls?

THE PRESIDENT. No, the debates are designed specifically to give the American people the right to know that I stand here on a particular issue, and Mr. Carter stands differently. The American people, I think, will benefit from an in-depth discussion of the four issues—defense, economic policy, domestic policy, and national defense.

Q. Will this be one-on-one, or—

THE PRESIDENT. Those details are going to be worked out by one or more people representing me and whoever Mr. Carter decides on his behalf.

Q. Can you tell us who those people will be?

THE PRESIDENT. We will make an announcement on that in the next day or so.

Q. Have the Carter people agreed to these plans?

THE PRESIDENT. Those are negotiations that I think will have to be worked out by those representing me and by those representing Mr. Carter.

Q. Mr. President, can you tell us if you've decided yet whether you're going to be spending a lot of time out on the stump or whether you will be spending a lot of time in Washington?

THE PRESIDENT. Those decisions will be made before I leave Vail, and that'll be in a day or two.

Thank you all very, very much.

NOTE: The President spoke at 10:15 a.m. outside the Bass House, residence of Richard Bass, owner/operator of Snowbird resort.

738

Statement Announcing Recommendation for the Replacement of Locks and Dam 26 on the Mississippi River.*August 24, 1976*

I AM pleased to announced today that the Secretary of the Army has recommended to the Congress authorization of a replacement for Locks and Dam 26 located on the Mississippi River, just north of St. Louis, Mo.

Locks and Dam 26 is a vital link in our inland waterway system. For example, last year over 26 million tons of grain—equal to 25% of our entire production bound for export—moved through this facility.

The existing structure—nearly 40 years old—has deteriorated so significantly that it will be neither safe nor reliable for continued navigation over the decades ahead. Resulting delays in traffic will be increasingly costly and disruptive.

Accordingly, since 1969, the Secretary of the Army has sought replacement. However, progress on replacement has been halted by a court ruling which requires enactment of authorizing legislation and preparation of a new environmental impact statement.

The Secretary of the Army has now completed and filed a final environmental impact statement and is requesting the Congress to act on the required authorizing legislation. I urge the Congress to act quickly in providing this needed authority. Upon enactment, I shall direct the Secretary of the Army to proceed with construction as expeditiously as possible. We cannot afford further delay.

NOTE: The statement was released at Vail, Colo.

739

Special Message to the Congress Reporting on Budget Deferrals. *August 24, 1976*

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report revisions to two deferrals previously transmitted.

Both of the revised reports reflect routine increases to the amounts deferred. The Federal Aviation Administration's Facilities and equipment deferral has been increased by \$193.8 million, and a deferral for the State and local govern-

ment fiscal assistance trust fund in the Department of the Treasury has been increased by \$1.4 million.

The details of each revised deferral are contained in the attached reports.

GERALD R. FORD

The White House,
August 24, 1976.

NOTE: The text of the message was released at Vail, Colo.

are printed in the Federal Register of August 30, 1976 (41 FR 36614).

The attachments detailing the revised deferrals

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Remarks and a Question-and-Answer Session With Reporters in Vail, Colorado. *August 25, 1976*

I HAVE several very important announcements this morning.

First, I have coming in on Thursday afternoon for a working dinner and a working session on Friday, Vice President Rockefeller, Senator Dole, and John Connally. As I said, we will have a working dinner on Thursday night. We will have a working session on Friday morning, and there will be an announcement following their appearance here at Vail on that occasion.

Number two, I am announcing that Dean Burch and Bill Ruckelshaus will represent me as my negotiators for these debates. As I said yesterday, I think time is of the essence. We feel very, very strongly that there should be a debate as early as possible—the 8th or 9th or 10th of September—and the subject matters, of course, were the ones I announced yesterday. But Dean Burch and Bill Ruckelshaus will represent me in the negotiations with the Carter people or any of the others.

The final announcement this morning involves some changes in the President Ford Committee. First, I would like to thank Rog Morton for doing a superb job under very difficult circumstances. He has been loyal, he has been dedicated, he has been effective, and I can't thank him enough for the fine job that he has done.

I am announcing this morning that Rog will take over the chairmanship of a very important steering committee. The membership of that steering committee will be announced within the next few days, but Rog will be chairman of it.

The head of the PFC will be Jim Baker. Jim, as you know, was a very accurate counter in the preconvention process. Jim has demonstrated to me a very

outstanding organizational capability, and he will be the chairman of the President Ford Committee.

Arrayed behind me you see the people that will be the heads of various parts of the President Ford Committee under Jim Baker. We have Stu Spencer, who will handle the politics. We have Bob Teeter, who will be in charge of the research. We have Bill Greener, who will head the communications operation. We have John Deardourff and Doug Bailey, who will be in charge of the advertising. I will have Dick Cheney representing the White House in that group. I think that takes care of everybody, doesn't it?

I think it's a great team. They are all experts in their respective fields. They all work together well, and they are all ready and anxious to go.

We have had two strategy sessions—yesterday morning for about 2 hours and again 2 hours this morning. So, we have the team, we have the organization, we are ready to go with the other things that we will be announcing from Vail between now and Saturday.

QUESTIONS

REPORTER. Mr. President, why isn't Governor Reagan coming in?

THE PRESIDENT. Governor Reagan and myself had one very indepth discussion at Kansas City. He certainly was very strong in his support, as he so indicated at the convention. He, like myself, has had a pretty rugged campaign for the last 8 months, so his not being here, I think, reflects, one, his indication of support and, number two, his desire to get some rest and relaxation.

Q. Mr. President, have you written off the South, including Texas? Some of your insiders are saying you have written off the South.

THE PRESIDENT. I'm the only one that makes that decision, Helen [Helen Thomas, United Press International], and we are not writing off the South. We expect to make an active campaign in the South, as I said, along with the rest of the United States.

Q. What about Texas?

THE PRESIDENT. Texas is a vitally important State, and we'll be working with the Texas organization, and we'll have an active campaign there.

Q. Mr. President, when will Dean Burch and Ruckelshaus get together with the Carter people?

THE PRESIDENT. Well, Dean Burch and Bill Ruckelshaus will be getting together in Washington, I think, today or tomorrow, and they will be available to negotiate with the Carter people and any of the other parties involved.

Q. Mr. President, what is Mr. Connally going to do in the campaign?

THE PRESIDENT. We'll discuss that when he along with Vice President Rockefeller and Bob Dole are here on Thursday and Friday.

Q. Mr. President, did you invite Governor Reagan here for this Thursday meeting?

THE PRESIDENT. No, we have not, for the reasons that I indicated. I had had a very indepth meeting with him, and I know from my own experiences that he felt that he did want some rest and relaxation. But we certainly want him on the team, and I have every indication, from my previous discussions and his public demonstration, that he will be actively helping the Republican cause in this campaign.

Q. Mr. President, will you ask Senator Baker to also be involved, active on your behalf?

THE PRESIDENT. Rog Morton will have a very broad-based steering committee, and I don't want to preempt any announcement that will be coming later in that regard.

Q. Mr. President, do you have any preference for a type of format for the debates?

THE PRESIDENT. We have some preferences that I indicated yesterday. I think each one should be no less than 90 minutes. There should be four as a minimum. There should be the subjects I indicated. And they ought to start as quickly as possible. Anything beyond that, my negotiators will take care of.

Q. Mr. President, will you please tell me what percentage of your time campaigning you expect to spend in the South and what time you hope Senator Dole would spend in the South, just to corroborate what you say about not writing it off?

THE PRESIDENT. Those details will be revealed as we move ahead, Wally [Walter C. Rodgers, Associated Press Radio].

Q. Mr. President, could you tell me whether you have been in contact with Governor Connally this week and when he was invited to come here?

THE PRESIDENT. I talked to Governor Connally the day before yesterday.

Q. Mr. President, do you plan to do a lot of active campaigning in the South when you are out of Washington?

THE PRESIDENT. I will be doing a fairly full schedule, but the details of how it will be done and where it will be done will be announced later.

Q. Does that mean lots of traveling?

THE PRESIDENT. The details will be announced a little later, Helen.

Q. Mr. President, how is this steering committee going to relate to the PFC? What will be the duties and how will they work in tandem?

THE PRESIDENT. Rog Morton will have an announcement in that regard as soon as the committee is put together. We don't want to announce everything this morning.

Q. Will that be what Vice President Rockefeller and John Connally are involved in?

THE PRESIDENT. They will not be a part of the steering committee, but they will certainly have an active role in the campaign, very active.

Q. Mr. President, do you plan to bring some of the Reagan campaign staff into the Ford Committee?

THE PRESIDENT. We haven't yet, but we certainly want their advice and counsel, and the possibility exists that some of their people will be with us.

Thank you all very much.

NOTE: The President spoke at 10:50 a.m. at the Bass House, residence of Richard Bass, owner/operator of Snowbird resort.

741

Memorandum on Federal Programs for American Indians.

August 26, 1976

Memorandum for the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Director, Office of Management and Budget, the Chairman, Civil Service Commission, the Administrator of General Services, the Administrator, Small Business Administration, the Administrator of Veterans Affairs, the Director, Community Services Administration, the Administrator, Environmental Protection Agency, the Acting Chairman, Equal Employment Opportunity Commission, the Governor, Farm Credit Administration

I am today designating Bradley H. Patterson, Jr., of the White House Office to assist me in the area of American Indian affairs. It will be Mr. Patterson's specific responsibility to work with each of you to improve the coordination among the Federal agencies with programs that serve the Indian people.

It is important that you insure the effective delivery and efficient operation

of Federal Indian programs and services. I request that priority attention be given to coordination of these efforts among the Departments and Agencies and within the Executive Office of the President.

In addition, I request you continue to insure that when Federal actions are planned which affect Indian communities, the responsible Indian leaders are consulted in the planning process.

GERALD R. FORD

NOTE: The memorandum was released in Vail, Colo.

742

**Remarks and a Question-and-Answer Session With Reporters
Following a Meeting With Republican Leaders in Vail,
Colorado. *August 27, 1976***

I AM sure you all know that we have had some extensive meetings since the Vice President, Governor Connally, Senator Dole, and Rog Morton have been out here. Let me give you some idea of the schedule. We had a working dinner. We had a meeting that lasted until about 11:30 last night. We have met for some 2 hours this morning.

I would like to make two points. First, under no circumstances is it accurate to say that the Ford-Dole campaign is going to be regional. The Ford-Dole campaign is going to be national. And I want to be very categorical in saying we are not writing off New York State, and we will have a spokesman in a minute who will reemphasize it. And we are not writing off Texas and the South, and have another emphatic spokesman who I think will likewise reiterate that. Our campaign is national, and we believe—as I said in the acceptance speech, we concede no State, we concede no vote.

Secondly, we have refined the areas that we think are important for this campaign to emphasize:

Number one, jobs, and we mean meaningful jobs with an opportunity for advancement.

Number two, an accelerated home ownership program. That is something more Americans are more interested in today than almost anything, as we look at all the polls that have been taken and the surveys that have been made.

Number three, quality health care that is affordable to the American people. We have to keep pressure on the costs of health care and make sure that the quality of health care that they're getting today will be continued and expanded.

Number four, crime. As I said in the acceptance speech, we will not tolerate the kind of crime rate increases that have taken place over the last 3 or 4 years. And we will have not only a reiteration of what I have said in three or four speeches on the crime issue but also some new thoughts and ideas that will be announced during the campaign.

The last, in the domestic area, recreation. Some—or, I hope, all—of you are going with us to Yellowstone Park on Sunday. We will have some announcements at that time that I think will show we are interested in the increased quality of life.

They really incorporate five points: jobs, ownership, quality health care, a reduction in crime, and better recreation facilities, and one other that falls under that category, and that is in the field of education.

But there's one other point that has to be made because it is sort of all-encompassing—peace throughout the world. As I said in the acceptance speech, we want peace at home and peace throughout the world.

Those will be the thrusts, those will be the emphases, those will be the objectives we will try to convey to the American people, that the Ford-Dole administration in the next 4 years will emphasize.

I have got with me here today four very close and very good friends of mine. And I would like each of them to make a comment or two, and then we will try to answer your questions.

The Vice President?

VICE PRESIDENT ROCKEFELLER. *Mr. President, ladies and gentlemen:*

I think that John and I came out here—we haven't been in touch in the last few days. I have been tremendously impressed with the speed with which the organization of this campaign has crystallized, the clarity and the character and the objectives of the organization itself and the issues. This is terribly important. It's been done, and now the campaign has to roll.

I'm particularly pleased with what the President said. He's going to every voter in every State throughout the country.

I would just like to say that those rumors about New York—forget them. He said what he feels about New York, and I just want you to remember that New York is a place where people care. They care about people, they care about the future of this country, and they care about President Ford, because that's what he cares about, people and the future of this great country—future freedom, future peace.

He's got a record of 2 years that nobody thought was possible, and with the vision he has for the 4 years that lie ahead, when he spells it out, I think you are

going to see a surge that is going to take that trend that we have watched in the polls and just going to see that moving up right to the line.

Some of us had a little experience with that, being an underdog, and then just that last week, you know, and that's what is going to happen. He's going to win this in November. And this country is going to continue on the road toward the kind of security and stability and peace which we have enjoyed in this country and which we look forward to on the basis of the world as a whole.

So, I'm thrilled to be here and delighted. And as the President knows—he has said that he wants ideas relating to the implementation of the areas of his concern—and we are all going to work through Rog Morton, who will be right next to him, who has got this committee. We will feed our thoughts in through Rog, and I don't know anyone who has a greater sensitivity to human values, to the political process, and to a faith and belief in America and what it stands for.

So, I'm delighted to work with him for the President, both of which are for our country and the peace in the world.

Thank you very much.

THE PRESIDENT. Thank you very much, Nelson.

I think most of you know Bob Dole, who I'm confident is going to be the next Vice President for many good reasons: his fine record in the Senate—and the job he will do not only on the campaign trail but as the next Vice President—a man of compassion, a man of intelligence, a man of the kind of ideals that I think are important.

Bob?

SENATOR DOLE. *Thank you, Mr. President.*

I think the general overview has been outlined. This certainly is a working group. I arrived at 6:20, and I had my first meeting at 6:25, and got to bed after midnight. So we have had a good start.

Following this press conference, I will be meeting with Stu Spencer¹ and others on, really, the Vice-Presidential—not the role—but budget matters and staff matters, and for the rest of the day we will be working on that.

Then this evening, I will be meeting again with the President, talking again in general thoughts about the campaign. I brought back to the President what I felt was an accurate view of the States of Washington and Iowa, those two events, and what I feel is a very upbeat feeling around this country—reactions from people.

¹ Deputy chairman of the President Ford Committee for political operations.

Needless to say, the change in the poll was very helpful. But I am encouraged—I have been in some political campaigns where I have been behind as much as 12 points with 4 weeks to go—and it is going to be done. It is going to be done because the American people believe in President Ford's leadership. So, I am excited about the future and ready to get going.

Thank you.

THE PRESIDENT. One of my longstanding, political friends and a person whose record in public service is outstanding—he came here to meet with us. He made very significant contributions during our 5 or 6 hours of discussion. And I would like to reemphasize at this point, a point that he has made, and made repeatedly, that unemployment is a serious matter that we are making headway on. But we have to concentrate on making certain that we win the battle against inflation. We're making headway there, very significant headway. And we're going to continue to do so. I would like to express my gratitude to Governor Connally for coming and joining us.

I would like John to say a word or two.

GOVERNOR CONNALLY. *Mr. President, Mr. Vice President, ladies and gentlemen:*

I am delighted to say a few words, because I think I came here to say to you that I want to contribute everything I possibly can to see your election and the election of Senator Dole, as President and Vice President of the United States.

I think it's critical, it's imperative, that you be elected. I don't know of anyone who has a deep concern for this country who is not going to give their all-out effort to see that you are elected in November.

And in the conversations we had, you started talking, first, about defense and foreign policy. There is no question but what you and this Republican administration has made an enormous contribution to peace in the world. And that peace we have to continue, and those policies we have to continue. And we have to initiate new policies, which you certainly are going to do.

You reiterated, again, your dedication to fight inflation in the interest of everybody in this country, and I think there is not a more important issue in this country.

I won't go over all of the things we tried to talk about, but I will say to you members of the press that I think the thing that impressed me the most was the President's and Senator Dole's fierce determination to wage an extremely aggressive, fighting campaign.

I must say that not a one of us was concerned by the present gap in the polls between Governor Carter and President Ford. I personally reported to the

President that I felt, in my travels around the country, that we could close this gap even more. I think the next poll will show a greater closure. Part of it stems from the fact that people, frankly, know this President. They know what he is. They know his concern for the people of this country. They know what his policies are. They know his commitment to peace. They know his commitment to bettering the quality of life in this country.

Then, on the other side, frankly, everywhere I have gone throughout the country, in every strata of society, I have detected a note of fear about Governor Carter and an uncertainty about Governor Carter. I think we have a campaign that we can win. I think it is in the interest of the country that we win it. I think if you consider what this President has done and how he has been thwarted by a Democrat Congress, that it ought to be clear to the American people that probably the worst thing that could happen would be to have a Democrat President and a Democrat-controlled Congress. And I, for one, am going to do everything I can to see that, hopefully, we don't have either. [Laughter] Thank you.

THE PRESIDENT. That's a great speech, John, and I'm all for that.

I asked Rog Morton to join us here because Rog is going to have a very important role. I want to make it very categorical that Rog's responsibility, as chairman of our Steering Committee, is vital. He will announce the membership of that group early next week, but he will be the funnel for the ideas that come from the Vice President, from Governor Connally, and from others, so that we get a political impact with specific recommendations that are important as we not only move into the campaign but we move and prepare for the next administration.

Rog, would you like to say a word?

MR. MORTON. I think you said it all, Mr. President.

THE PRESIDENT. Well, Rog is going to play a vital role in this campaign. He will work not in the administrative side, but in the policy and the promotion side.

Jim Baker, of course, will be handling the administrative side as actual chairman of the operations of the President Ford Committee.

We have agreed, after making a few comments, to respond to some of your questions.

QUESTIONS

REPORTER. Mr. President, I have a question for Governor Connally.

THE PRESIDENT. Could you speak a little louder, Aldo [Aldo B. Beckman,

Chicago Tribune Press Service]? I didn't recognize you in that gear there.
[*Laughter*]

Q. I would like to address this to Governor Connally.

Governor, you said you were willing to do anything you could for the President. Would you tell us why you didn't accept the chairmanship of the National Committee?

GOVERNOR CONNALLY. Because I think I can do more effective work, frankly, campaigning across the country. I think the Republican National Committee is going to be extremely important and extremely critical. They have their jobs to do, but their course is fairly well set, it seems to me.

Mary Louise Smith is a superb chairman. I thought it was not in the interest of the party or in the President's interest or that we even talk about such a change. And I have made it abundantly clear that I didn't want anything except to try to help. I love campaigning. I am going to campaign all across this country, and I didn't want any—and still don't want any—administrative duties or responsibilities that will preclude that.

Q. Mr. President, what role do you specifically see for Senator Dole in your campaign?

THE PRESIDENT. I think Senator Dole has gotten off to a great beginning. His fantastic speech in Seattle and his excellent speech in Des Moines, Iowa, I think give a very good indication of the kind of a role that Senator Dole will perform. While he's here between now and Saturday, we will put together the final touches on what his role will be in addition to what he's already undertaken.

Q. Is he going to be the hatchet man?

THE PRESIDENT. Oh, we aren't going to have any hatchet man. We're just going to lay the record out, the record of what we've done, the indecision and the flip-flops that my opponent and his running mate have performed.

There's no hatchet man involved here. The record is clear—what we have done and what they have promised to do. We can't really find out what they have promised to do.

Q. Mr. President, why is there not in this group one of the Republican leaders who had a great deal of influence over the Republican Convention? Why isn't Governor Reagan here?

THE PRESIDENT. As I said yesterday, Ann [Ann Compton, ABC News], Governor Reagan and I had an indepth meeting the day that I accepted—the night after the nomination—and we saw him, as you all saw, his very, very warm participation at the night of the acceptance speech. We certainly expect that he will be helpful. He gave me every indication that he would.

Q. Do you expect to be talking with Governor Reagan?

THE PRESIDENT. I'm sure I will.

Q. Mr. President, on your issues that you mentioned for the coming campaign, your predecessor, Mr. Nixon, also promised that he was going to reduce crime, and yet, as you just pointed out, he didn't do so. What specifically can you do or what kind of things can you do to reduce the increase in crime rates?

THE PRESIDENT. About 9 months ago I sent to the Congress a very specific plan that called for stiffer penalties, mandatory penalties, in the area of individuals who commit major crimes using a gun, specific recommendations that do something affirmatively about the illegal drug traffic, et cetera.

If the Congress would help us with that, instead of doing nothing—I pointed it out very emphatically in the acceptance speech—we would have many more tools to do something to reduce crime rather than let it drift as it is. But I indicated a few moments ago, we will have some additional proposals between now and November 2.

Q. Mr. President, how much money will you allocate from your campaign funds for New York, Texas, and the South?

THE PRESIDENT. I can't give you those details. But there will be a fully adequate allocation on a national basis, so our campaign doesn't write off any State, and we will run a national campaign.

Q. Do you plan to allocate the same amount to every State?

THE PRESIDENT. Oh, no. I can't give you those details. It's just impossible at this time.

Q. Governor Connally said that there is a growing trend of fear among the American people of Governor Carter. Do you agree with that, that the American people are afraid of Governor Carter?

THE PRESIDENT. There certainly is. We find a distinct uneasiness, and I think many polls reflect that.

Q. Mr. President, you mentioned before that there were a number of issues—you said education to a certain extent. Can you elaborate on that?

THE PRESIDENT. We have some proposals that I think will be forthcoming that will show the concern this administration has for an improved educational opportunity program within the quality of life suggestion.

Q. Are you talking about busing?

THE PRESIDENT. We will submit those to you at the proper time.

Q. Mr. President, could Governor Connally tell us what he meant by the fear he found of Governor Carter across the country?

GOVERNOR CONNALLY. Mr. President, let me respond in part by saying, yes,

there is a great deal of fear on the part of those who are knowledgeable about foreign policy matters and defense matters. There is a great deal of fear that if he is elected there are going to be more serious cuts in the defense effort. The Democrats have already cut \$50 billion in recent years out of the defense budget. They are afraid that they will suffer even greater cuts in the real muscle of the defense effort of this country.

There are a great many people, workers and factory owners alike, in this country who have a great fear when they see him get up and say he wants to out-Nader Nader.² They are concerned about that. There are a great many other people who know something about energy in the country who are not only afraid but alarmed when they hear him say that he doesn't think we need to be concerned about importing crude oil, that we ought to just quit importing it. It shows a complete lack of understanding of the energy problems of this Nation. Those are three categories that I can think of very quickly.

THE PRESIDENT. Let me add one point to that. In Governor Connally's very effective speech at the convention, he made a point which I think does reflect that fear and apprehension of the American people. Peace abroad is a very critical issue. I have the distinct feeling—and I think some of the polls indicate it—that the American people want an individual with experience running our foreign policy. They don't want a person whose name, as Governor Connally said, they didn't know a year and a half ago running American foreign policy.

Q. Governor Connally, can we ask you a question, please? There was a story as recently as this morning in the paper that you were unhappy with President Ford following the convention and that indeed there was a rift. You have seen these stories, I am sure. Would you care to set the record straight on that?

GOVERNOR CONNALLY. Yes, I will set the record straight. It will probably last about 24 hours, hopefully, but I am not unhappy with President Ford, never have been, was not before, during, or after the convention. I am not now. If I was, I wouldn't be here.

I think he has been an outstanding President. I think, as I said a moment ago, that it is absolutely essential that all of us do everything we know how to do to reelect him. And I was here to try to contribute what little I could to the discussion, and I am going to be around the country contributing what little I can to see that he and Senator Dole are elected.

Q. What about the story that you had indicated that you thought it was too late for the President to mount a winning campaign——

² Ralph Nader, a consumer advocate and a trustee of Public Citizens, Inc.

GOVERNOR CONNALLY. That isn't so at all.

Q. Then you don't view him as a loser?

GOVERNOR CONNALLY. Of course I don't view him as a loser. I think, you know, I am a fellow that understands these gaps. When I announced for Governor of Texas in 1962, the polls indicated that I had 4 percent. So, when you talk about closing the 10-percent gap, that is no hill for a stepper. [*Laughter*]

One thing, if I may. Let me impose on you and ask for your indulgence for one moment longer.

Mr. Ray Hutchison, the chairman of the Republican Party in Texas, Senator Tower, some of the top people who were very strongly in support of Governor Reagan, and I have extended an invitation officially through the chairman, Mr. Ray Hutchison, to the Vice President (Senator Dole) to come to Texas on September 10 and 11 to appear at a rally in Austin, Texas, a giant Republican rally the night of the 10th, and speak to the State Convention the morning of the 11th. He has kindly consented to do so. We are delighted he is, and we hope we can show him a real welcome there.

Thank you. Thank you, Senator.

THE PRESIDENT. Thank you all very much.

NOTE: The President spoke at 10:03 a.m. at the Bass House, residence of Richard Bass, owner/operator of Snowbird resort.

743

Remarks at Yellowstone National Park in Wyoming.

August 29, 1976

Thank you very much, Tom Kleppe, Senator Hansen, Congressman Hansen, representatives of the Department of Interior, reverend clergy, ladies and gentlemen:

Labor Day, next weekend, marks the end of a glorious summer. It means one more carefree holiday before we all go back to school, back to work, back to the duties we must do to build better lives for ourselves, our children, and our country.

For many families it means one last chance to get out of town, out into the sun, under the stars, close to nature's beauties and nature's creatures. For me this is a moment that I have been looking forward to for a long, long time—to return to Yellowstone where I spent one of the greatest summers of my life.

Being a seasonal park ranger—we used to call them 90-day wonders, maybe

they still do—[*laughter*—was one of the most challenging experiences, one of the greatest jobs I ever had following my graduation from the University of Michigan. Now it seems more like fun than hard work, though we had plenty of both.

I have been telling my family about that summer ever since. Maybe I overdid those bedtime stories about my firefighting exploits and my heroic bouts with the bears. [*Laughter*] At least that is what Mike, Jack, Steve, and Susan keep on telling me. [*Laughter*]

So, this time, I brought some of the family along. Jack, as you know and has been mentioned, is no stranger to Yellowstone. Two years ago this month he was working as a ranger at a tower station—actually he was out fishing—when he got a sudden summons to come to Washington to see his old man get a new job.

So, today, it is a sentimental return to the scene of wonderful memories for two of the Fords and a new experience for Susan, who hopes to get some good Yellowstone photographs like she did last summer at Yosemite.

Family vacations—especially among the majestic mountains of the West—are a tradition of our family. My parents always took my brothers and myself to lakes and woods in my State of Michigan before I was big enough to go myself as a Boy Scout. There is something wonderful about the wide open spaces that is almost a necessity for Americans. Being alone with nature strengthens our love for one another and for our country.

For those who live close to the land, this is nothing new. But as more and more Americans live in cities, the lure of the mountains, the beaches, the lakes, the rivers becomes more and more compelling. So, I have a serious as well as a sentimental reason for this visit today.

Our Bicentennial Fourth of July turned out to be a very profound experience for millions and millions of Americans. Amid the fireworks and parades, the tall ships and the trips to historic shrines in our joyous celebration of 200 years of our Nation under God, we found new meaning for the words of freedom, equality, and unity.

[At this point, the President's remarks were interrupted by the eruption of the Old Faithful geyser.]

I always knew the Park Service was efficient and effective, and they really proved it just a moment ago. [*Laughter*]

If I might say, with our Bicentennial celebration, which was very meaningful, on the Fourth of July we did find new meaning for the words freedom, equality,

and unity. Somehow, despite our difficulties and our differences—perhaps because of them—Americans recaptured the essential spirit and greatness that makes us a very special kind of people. We realized again what a wonderful thing it is just to be an American.

As I thought about the changes that have taken place in this great country—not only in the last 2 years but during the last two centuries—I also thought about those things that must never change. Those unchanging things really make us Americans. They are the things we must pass on to future generations. Some are intangible, invisible—our deep religious and moral convictions, our bonds of family and community, our political values embodied in the Declaration of Independence and the Constitution. But we have other common treasures that are material and visible, that can be damaged and destroyed by man. We must be equally committed to conserve and to cherish our incomparable natural heritage—our wildlife, our air, our waters, and our land, itself.

More than a century ago we began to save our natural heritage for the enjoyment of future Americans with the national park system, of which Yellowstone is the oldest and the largest. This year alone we expect 260 million Americans to visit and enjoy our 287 national parks that spread from the Virgin Islands to Maine to Alaska and to Hawaii. And I am sure there are times when some of you thought that all 260 million were camping on your camp site. [*Laughter*]

We have had a wonderful Bicentennial. We celebrated what our patriotic founders and our immigrant ancestors handed down to us. We renewed our vows to their vision of freedom and equality. But I found myself saying we ought to do more. Can't we do something special, as our Bicentennial birthday present to future generations, a gift that will be gratefully remembered 100 years from now? We can.

I, therefore, decided upon a 10-year national commitment to double America's heritage of national parks, recreation areas, wildlife sanctuaries, urban parks, and historic sites.

I will send to the Congress, Tuesday, a Bicentennial Land Heritage Act, which calls for a pledge of \$1,500 million during the next 10 years. It will more than double our present acreage of land for national parks, recreation areas, and wildlife sanctuaries; beginning development of these new lands to make them accessible and enjoyable; improving facilities and increasing dedicated personnel at existing national parks; making available \$200 million for urban parks; bringing the benefits of nature to those who live in our cities; and accelerating the development of parklands and sanctuaries now delayed for lack of manpower and of money.

This national commitment means we may have to tighten our belts elsewhere a bit, but it is the soundest investment in the future of America that I can envision. We must act now to prevent the loss of treasures that can never be replaced for ourselves, our children, and for future generations of Americans.

This is a big job, one that requires government action at all levels. But like most of the big jobs Americans undertake, it cannot be left to government alone. In the past the cause of land conservation has been advanced by many concerned citizens, companies, and private organizations. The Rockefeller family, represented here today by Mary and Laurance Rockefeller, is an outstanding example of this dedication. I thank them and all such farsighted Americans for their generous contributions to our national park system and the preservation of our priceless natural heritage.

I call upon all Americans—our Bicentennial generation which has enjoyed the blessings of liberty and the pursuit of happiness, ours for 200 years—to join in a great new undertaking to improve the quality of our lives and of our land.

I recall that snowy day in 1961 when President Kennedy was inaugurated. I can still see that great American poet, Robert Frost, standing on the steps of the United States Capitol, reciting these moving lines “The land was ours before we were the land’s. She was our land more than 100 years before we were her people.”

I remember as a ranger the first time I stood alone on Inspiration Point over at Canyon Station looking out over this beautiful land. I thought to myself how lucky I was that my parents’ and grandparents’ generation had the vision and the determination to save it for us.

Now it is our turn to make our own gift outright to those who will come after us, 15 years, 40 years, 100 years from now. I want to be as faithful to my grandchildren’s generation as Old Faithful has been to ours. What better way can we add a new dimension to our third century of freedom?

Thank you very much.

NOTE: The President spoke at 1:12 p.m. at Old Faithful Lodge. In his opening remarks, he referred to Secretary of the Interior Thomas S.

Kleppe, Senator Clifford P. Hansen of Wyoming, and Representative George Hansen of Idaho.

744

Message to the Congress Transmitting Annual Report of the National Endowment for the Arts and the National Council on the Arts. *August 31, 1976*

To the Congress of the United States:

I hereby transmit to the Congress the Annual Report of the National Council on the Arts and the National Endowment for the Arts for Fiscal Year 1975.

Our Bicentennial year marks the beginning of a second decade for the Arts Endowment which, under the guidance of the National Council, has made a substantial contribution to enriching the quality of life in America. This is a time for us to reflect upon our history and to reassess our goals for the future. The arts have always been an expression of the diversity of America's richly varied cultural experience. We are beginning to appreciate how important the arts are as resources—to improve our cities—to bring creativity into our schools—to bring greater perception to all, young and old.

This Annual Report reflects the Federal government's continuing support for the arts and its concern that public funds be instrumental in generating private dollars. The efforts of the Arts Endowment in that regard are very gratifying and I hope that each member of Congress will share my enthusiasm for this agency's achievements.

GERALD R. FORD

The White House,
August 31, 1976.

NOTE: The report is entitled "Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year

ended June 30, 1975" (Government Printing Office, 133 pp.).

745

Remarks Upon Signing a Message to the Congress Transmitting Proposed Bicentennial Land Heritage Legislation. *August 31, 1976*

I AM sending to the Congress today the Bicentennial Land Heritage Act. This proposal will more than double the present acreage of land for national parks, recreation areas, and wildlife sanctuaries. It will provide funds for the development of these new lands to make them accessible and enjoyable.

It will enable us to improve facilities and to increase dedicated personnel at existing national parks. It will make available \$200 million for urban parks, bringing the benefits of nature to those who live in our communities. And it will accelerate the development of parklands and sanctuaries now delayed for lack of manpower and of money.

This national commitment is one of the soundest investments in the future of America. We must act now to prevent the loss of treasures that can never be replaced for ourselves, for our children, and for the generations in the future.

NOTE: The President spoke at 1:57 p.m. at a ceremony in the Rose Garden at the White House.

746

Special Message to the Congress Transmitting Proposed Bicentennial Land Heritage Legislation. *August 31, 1976*

To the Congress of the United States:

I am today submitting to the Congress the Bicentennial Land Heritage Act. This proposal establishes a 10-year national commitment to double America's heritage of national parks, recreation areas, wildlife refuges, urban parks, and historic sites. The Bicentennial Land Heritage Act would authorize and appropriate funds for the acquisition, improvement, rehabilitation, and maintenance of the National Parks System and National Wildlife Refuge System and increase grants to communities to improve park and recreation facilities.

Enactment of my proposal would establish a \$1.5 billion program to:

- provide \$141 million to be used to acquire lands for parks, wildlife refuges, and recreation areas, and historic sites.

- provide \$700 million to develop new and existing parklands and refuges into recreation and conservation resources ready to serve the public.

- provide \$459 million for upgrading and increased staffing for the national parks and wildlife refuges systems.

- provide \$200 million for grants to cities to upgrade present park areas in disrepair.

This bill also contains a supplemental budget request for appropriations totalling \$1.32 billion for fiscal year 1977, \$1.30 billion to remain available for obligation until 1986.

The Bicentennial Land Heritage Program will significantly influence the future of the 31-million acre National Park System. The System, with its 287 areas, contains outstanding natural features and historical sites. These areas often

suffer from overuse or deficient maintenance, and areas with high recreation potential often lack adequate access roads and visitor facilities. Many of the nationally significant historical and archeological sites are deteriorating from lack of proper protection and suitable resource management planning and execution. The addition of lands to the System, coupled with effective resource management, will increase opportunities for outdoor recreation, as well as insure the protection and perpetuation of these resources for future generations. Their inclusion would also help to alleviate overcrowding problems at areas currently in the System, where sharply accelerated visitation during recent years has seriously impacted park resources.

The Bicentennial Land Heritage Program will also be important to the National Wildlife Refuge System. The 378 National Wildlife Refuges, which encompass 32 million acres, provide habitat for a wide variety of the Nation's fish and wildlife. The Refuge System, like the National Park System, has deteriorated seriously. In the last two decades, the System has doubled in size, and public visitation has quadrupled to 30 million visitors a year. Yet, staffing has not been increased in the last ten years. Many facilities such as roads, buildings, and water management structures have deteriorated for lack of maintenance. Of even more concern is the daily destruction of the Nation's essential wildlife habitat which is being bought, developed, polluted, or otherwise altered.

To assist in improving community parks and recreation facilities the Program would also authorize funds, pursuant to the Housing and Community Development Act of 1974, in the amount of \$200 million to be available for communities to use in their recreation programs.

As part of the Bicentennial Land Heritage Program, I again urge the Congress to act expeditiously and to enact the proposed Alaska Conservation Act which was first proposed in December 1973 and resubmitted in March 1975. I am disappointed that the 94th Congress has failed to take action on this initiative. My hope is that the Congress will take positive action on this important conservation measure, which would add more than 64 million acres of land to the National Park System and the National Wildlife Refuge System and thus double the size of both of these systems.

The program I now present to the Congress will reaffirm our Nation's commitment to preserve the best of our vast and beautiful country and the wildlife inhabiting it. It will be a sound investment in America which will pay off handsomely by permanently insuring and enriching the natural treasures to be inherited by future generations. All Americans must stand committed to conserve and cherish our incomparable natural heritage—our wildlife, our air, our water

resources and our land itself. As our nation begins its third century, we must renew our commitment to save this great natural heritage for the enjoyment of future generations of Americans.

Accordingly, I strongly urge the Congress to enact the proposed "Bicentennial Land Heritage Act of 1976", which establishes a program designed to insure the fulfillment of this national commitment.

GERALD R. FORD

The White House,
August 31, 1976.

NOTE: A copy of the draft bill was also included as part of the release.

747

Statement on Extension of the Income Tax Reduction.
August 31, 1976

I AM pleased that yesterday's agreement by a House-Senate conference committee has moved us one step closer to a reduction in individual income taxes.¹

But no one should be fooled at this apparent progress. The Congress had the opportunity to enact a much bigger tax cut—the \$28 billion tax cut that I recommended earlier this year—but it chose not to grant the American people the additional tax relief they deserve.

In effect, this tax bill means that the Democratic majority in the Congress is giving the country only half a loaf—the half it already has—and letting the other half be swallowed up by the big spenders.

748

Message to the Senate Transmitting the International Convention for the Safety of Life at Sea, 1974.
September 1, 1976

[Dated August 31, 1976. Released September 1, 1976]

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to acceptance, the International Convention for the Safety of Life at Sea, 1974, done at London,

¹ On August 30 the conference committee, in considering the proposed Tax Reform Act of 1976, tentatively agreed to extend some personal tax credits through 1977.

November 1, 1974. The report of the Department of State is enclosed for the information of the Senate in connection with its consideration of the Convention.

I also transmit a copy of the Final Act of the International Conference on Safety of Life at Sea, 1974, held at London from October 21 to November 1, 1974.

Numerous technical amendments to the 1960 Safety of Life at Sea Convention have been proposed and accepted by the depository organization since 1966. The United States has accepted all of these amendments. However, none of them have received the necessary explicit acceptance by the required two-thirds of the contracting governments to enter into force. The 1974 Convention incorporates all of the amendments and contains an improved procedure which will accelerate acceptance of future amendments to the technical regulations. I recommend that the Senate give prompt consideration to this Convention and consent to its acceptance.

GERALD R. FORD

The White House,
August 31, 1976.

NOTE: The convention and accompanying papers are printed in Senate Executive O (94th Cong., 2d sess.).

749

Remarks at the General Conference of the National Guard Association. *September 1, 1976*

General Corning, Jim Lynn, distinguished platform guests, members of the National Guard Association:

I am deeply honored to be in the company of the United States National Guard, individuals who follow in the great tradition of the citizen soldiers who responded to the call for freedom 200 years ago—congratulations.

As Commander in Chief, I am proud to have every single one of you on America's national security team. This team has never been stronger nor better prepared to meet any challenge to this Nation's safety or freedom. And we will keep it that way.

Clear and painful lessons—lessons of history—have taught us—we, all Americans—to demand nothing less. America is a nation that does cherish peace, but we have learned in this century that the best insurance of peace is a military capacity that commands respect throughout the world.

When I took office as President, defense expenditures claimed a smaller percentage of the Federal budget than at any time since Pearl Harbor. A decade of Congresses had chopped away at America's defense budgets, cutting more than \$50 billion from defense appropriations over the last 10 years.

I knew from my 12 years' experience as a member of the Defense Subcommittee on Appropriations in the House of Representatives that that dangerous trend had to be reversed, and I reversed it. Cutting the muscle out of America's defenses is not the best way to ensure peace. It is the best way to destroy it. The world is still a dangerous place. We cannot lay down our arms in the simple hope that others will follow our lead, and we cannot retreat from the frontlines of freedom if we are to preserve freedom here at home.

There are those in this political year who want to withdraw our troops from positions overseas. The voices of retreat who talk about a phased withdrawal, they talk as if our defenses won't be weakened if we only dismantle them one brick at a time. They are very, very wrong. Preparedness preserves peace, weakness invites war.

Our "total force" defense policy in which the National Guard plays a very crucial part is vital to this preparedness. Our active all-volunteer armed forces are no bigger than they have to be because of the outstanding contributions of our capable reserves and National Guard forces. I congratulate each and every one of you and your associates back home.

My policy in this area is clear. Since we are giving the Army National Guard and the Air National Guard ever greater responsibility, we have to give you the best training and the best combat equipment available, and we will. We can never again afford to treat our National Guard as the poor relations of our regular forces. Hand-me-down weapons are not enough for the National Guard.

My administration has made every effort to upgrade your equipment and your training. Our Guard forces are being equipped and trained to fight on the first team against any potential enemy. You are now being assigned some of the world's most modern combat equipment. In the future, I will fight to make certain that you get even more of the best.

Every member of the National Guard has made a very special commitment to our country. It is best said in the National Guard Association motto: "We serve." You made that commitment because you know there comes a point when you have to make tough decisions, there comes a point when you have to make a stand. I reaffirm my promise to face up to those same tough decisions. With God's help, we will stand up for the country we love, for the freedom we cherish, and for peace among nations.

Like all of you, I value the peace that America enjoys in 1976, the peace that finds no Americans in combat anywhere in the world today. We possess and we must maintain the diplomatic skill and the military might which can keep the peace and protect our national security.

I will not lead the American people down the road to needless danger or senseless destruction. We will march ahead on the path of peace through strength and give America and our freedom a new dimension in the United States of America.

Thank you very much.

NOTE: The President spoke at 11 a.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Maj. Gen. Duane L. Corning, adjutant general of South

Dakota and president of the National Guard Association, and James T. Lynn, Director of the Office of Management and Budget.

750

Exchange With Reporters on the Presidential Campaign Debates. *September 1, 1976*

I AM very, very pleased to announce that I feel very happy about the fact that the League of Women Voters has concluded the negotiations that will give the American people the opportunity to have three Presidential debates and one Vice-Presidential debate.

I am enthusiastic about the opportunity to discuss in detail before the American people the four subjects that I suggested—foreign policy, defense policy, domestic policy, and economic policy.

It seems to me that with the three debates between myself and my opponent and between the two Vice-Presidential candidates, the American people will see firsthand, hear firsthand the views of the four of us. And this is the way I believe this campaign can best be decided.

I will be glad to answer any questions.

REPORTER. Mr. President, do you feel that the arrangement gives any particular advantage to one party or the other, one candidate or the other?

THE PRESIDENT. I believe the negotiations turned out well for the American people. We have the four subjects I suggested. We will have ample time in the first debate to discuss in depth and in detail domestic and economic policy.

Our whole approach was how we could get the debates on as quickly as possible with broad subject matters, and I think the negotiations ended very well.

Q. Mr. President, do you consider the debates to be crucial and the most

important part of the campaign? And, by the way, when does your campaign start?

THE PRESIDENT. The debates, I think, are very important. I hope that in the time that will be given to them, the American people will have an opportunity to see what decisions, what programs my opponent has and, of course, the American people know my views, my record. But the debates are important so they can get an honest comparison between the two.

We will announce when my campaign starts very shortly, Helen [Helen Thomas, United Press International].

Q. Mr. President, are you disappointed that the first debate won't be on national defense, as you requested?

THE PRESIDENT. I don't think that is significant. I said a moment ago that the four subjects that I suggested are included in the first two debates with the final debate to cover any other issues that have not been covered previously. Our whole effort was to have a broad subject matter, and those four, plus whatever else comes up, is fine.

Q. Mr. President, do you have a preference for location for the debates?

THE PRESIDENT. The negotiations are still going on and I think it is premature for me to make any comment on that.

Q. Do you think an incumbent President has any advantage in something like these debates because of the wealth of information he has available to him through, let's say, the Pentagon, the Defense Department, and all the various Government agencies?

THE PRESIDENT. I believe that an incumbent President ought to know all the subjects and know them very well, and I would hope that any challenger would, likewise.

Q. But do you think you have an advantage as the incumbent with all of this information immediately at your disposal?

THE PRESIDENT. I don't think I should pass judgment on that. I think the debates will bring out very clearly just who is going to handle the questions the best.

Q. Mr. President, you prepared at length for your acceptance speech in Kansas City. Do you plan to prepare that way for these debates?

THE PRESIDENT. I am sure that I will be ready for the debates and the sooner they start, the better.

Q. Are you sure you will win?

THE PRESIDENT. I think the American people will be the winners, Helen.

NOTE: The President spoke at 5:55 p.m. on the North Lawn at the White House.

751

**Message to the Congress Transmitting Annual Report of
the Federal Prevailing Rate Advisory Committee.***September 2, 1976*

[Dated September 1, 1976. Released September 2, 1976]

To the Congress of the United States:

In accordance with section 5347(e) of title 5 of the United States Code, I hereby transmit to you the 1975 Annual Report of the Federal Prevailing Rate Advisory Committee.

In March of this year, I sent to the Congress a legislative proposal to reform procedures for setting pay under the prevailing rate system. In my July 22, 1976 legislative program message, I urged action on the proposal before adjournment of the 94th Congress. I am convinced that the bill will help correct inconsistencies in the prevailing rate system and I wish to reiterate my concern for its passage.

GERALD R. FORD

The White House,
September 1, 1976.

NOTE: The 50-page report is entitled "Annual Report—Federal Prevailing Rate Advisory Committee."

752

**Letter to the Speaker of the House and the President of the Senate
on Citizenship Requirements for Federal Employment.***September 2, 1976*

PURSUANT to the authority vested in him by the Constitution and Section 3301 of Title 5 and Section 301 of Title 3 of the United States Code, the President authorized the United States Civil Service Commission to establish standards with respect to citizenship for employment in the competitive service (Executive Order No. 10577, as amended, 5 CFR Part 2). Thereafter, the Commission prohibited generally the appointment of aliens to positions in the competitive service (5 CFR 338.101).

The Supreme Court of the United States has recently held that the Civil Service Commission's general prohibition against the employment of aliens is violative of the due process clause of the Fifth Amendment to the Constitution (*Hampton v. Mow Sun Wong*, No. 73-1596, June 1, 1976).

In its decision, the Court stated that either the Congress or the President might issue a broad prohibition against the employment of aliens in the civil service, but held that neither the Congress nor the President had mandated the general prohibition contained in the regulations of the Commission.

I have concluded that it is in the national interest to preserve the long-standing policy of generally prohibiting the employment of aliens from positions in the competitive service, except where the efficiency of the service or the national interest dictate otherwise in specific cases or circumstances. It is also my judgment that it would be detrimental to the efficiency of the civil service, as well as contrary to the national interest, precipitously to employ aliens in the competitive service without an appropriate determination that it is in the national interest to do so. Therefore, I am issuing an Executive order [11935] which generally prohibits the employment of aliens in the competitive service.

The rights of citizens and aliens are affected by existing statutes which often discriminate between citizens and categories of aliens with respect to various rights, duties, and benefits. Those statutes pertaining to the Federal employment of aliens further discriminate as to specific jobs, agencies, or the nationality of aliens. I am also aware that many members of the Congress have recently sponsored legislation which would categorically prohibit the Federal employment of aliens, a broader prohibition than the various existing statutory restrictions of the limitations which I have mandated.

In this regard, I am mindful that the Congress has the primary responsibility with respect to the admission of aliens into, and the regulation of the conduct of aliens within, the United States.

While I am exercising the constitutional and statutory authority vested in me as President, a recognition of the specific constitutional authority vested in the Congress prompts me to urge that the Congress promptly address these issues.

Because of the seriousness of the questions raised by the decision of the Supreme Court, I am directing that a copy of this communication be published in the *Federal Register*, along with the Executive order I am issuing. A copy of that order is enclosed.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A.

Rockefeller, President of the Senate.

A copy of this letter is printed in the *Federal Register* of September 3, 1976 (41 FR 37301).

753

Statement Urging Highway Safety Over the Labor Day Weekend.
September 2, 1976

AS WE approach the Labor Day holiday, travelers once again face the hazard of traffic deaths and injuries on our Nation's highways.

More than 45,000 people died in motor vehicle accidents in 1975. Four hundred of these were killed during the Labor Day holiday—an 18-percent increase over similar nonholiday periods.

The appalling loss of life which continues to take place on our Nation's roads is a matter of great concern to me and a majority of our citizens.

We should be encouraged, however, by the significant reduction in total traffic fatalities we have seen in the past 2 years—a decrease of some 9,000 lives each year.

Safety authorities agree that the primary cause of this dramatic drop in fatalities is public observance of the national maximum speed limit. It is difficult to escape the obvious conclusion that the Nation's highways are safer now than they were when the legal speed limit was higher.

Some Americans may dispute the value and the importance of fuel conservation gains achieved by compliance with speed limits. But the dramatic improvement in highway safety and the savings in lives which result cannot be overemphasized.

By complying with our traffic laws this Labor Day weekend, we can all improve our chances for a safe trip. I urge all Americans to have a safe as well as a happy weekend.

754

Message to the Senate Transmitting the United States-Korea Convention on Taxation and Fiscal Evasion.

September 3, 1976

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention signed at Seoul on June 4, 1976, between the Government of the United States of America and the Government of the Republic of Korea for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect

to Taxes on Income and the Encouragement of International Trade and Investment, together with a related exchange of notes.

There is no convention on this subject presently in force between the United States and Korea.

The Convention follows generally the form and content of most conventions of this type recently concluded by the United States. Its primary purpose is to identify clearly the tax interests of the two countries to avoid double taxation and to help prevent the illegal evasion of taxation.

For the information of the Senate, I also transmit, a covering report of the Department of State with respect to the Convention.

This Convention would promote closer economic cooperation and more active trade between the United States and Korea.

I urge the Senate to act favorably at an early date on this Convention and its related exchange of notes and to give its advice and consent to ratification.

GERALD R. FORD

The White House,
September 3, 1976.

NOTE: The convention and accompanying papers are printed in Senate Executive P (94th Cong., 2d sess.).

755

Remarks for Labor Day. *September 5, 1976*

[Recorded September 1, 1976. Released September 5, 1976]

LABOR DAY has a special significance in our Bicentennial Year. This year we Americans discovered a renewed spirit of confidence and unity, a spirit built in large measure upon the efforts and dreams of America's workers.

America has always been more than a nation; it has been the fulfillment of promises, because Americans of every generation rolled up their sleeves and went to work. Because of that, we grow stronger every day.

Labor Day stands for America's greatest natural resource—not its minerals, its timber, or its farmland, but its people: Americans who get up early every day and go home tired every night, quietly creating a better life for their families and fellow citizens.

Today 88 million Americans are on the job—more than ever before in our Nation's history. But we cannot be satisfied until every American who wants to work has a meaningful and productive job. With the help of the dynamic American labor force, we will achieve that goal of full employment.

So, to you, the workers of America, whether you work in factories, farms, offices, stores, or construction sites, congratulations for a job well done.

NOTE: The President spoke at 12:50 p.m. in the Oval Office at the White House. His remarks were recorded for later broadcast.

756

Statement on Signing the Income Tax Reform Bill.

September 6, 1976

IN SIGNING into law a brief extension of tax withholding rates, I call the Nation's attention once again to the continuing inability of the Congress to meet the real needs of the American taxpayer. For many months the Congress has been struggling with the issue of tax reduction and tax reform. Most Americans agree that both are necessary.

In January I expressed my own view that one of the most important advances this Congress could make would be to restrain the growth of Federal spending and return the savings to the taxpayers in the form of a \$10 billion permanent and additional reduction in income taxes.

During the year I have also recommended to the Congress in the strongest possible terms, the need for reform of estate and gift taxes, so that family farms and small businesses would not be wiped out upon death in the family.

As I have said many times, we must relieve the burdens on all taxpayers and make our tax system more equitable.

Unfortunately, the Congress has become ensnarled in the rewriting of detailed provisions of the tax code and has failed to recognize the broad interests of the country:

- it has failed to grant additional tax relief;
- it has failed to put adequate restraints on spending;
- it has failed to protect family farms and small businesses from the burdens of heavy taxation.

The bill that I am signing is only a Band-Aid—a 15-day respite so that the Congress can hopefully complete action on a more comprehensive tax package. I urge that the Congress use this time wisely—that it consider the needs not just of the special interests but of all the American people. I pledge that I shall do everything I can to assist in this effort.

NOTE: As enacted, the bill (H.R. 3052), approved September 3, 1976, is Public Law 94-396 (90 Stat. 1201).

757

Special Message to the Congress Reporting on a Budget Rescission. September 7, 1976*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of \$126,750,000 in budget authority available in the transition quarter for the Foreign military credit sales program. Approval of this rescission proposal would reduce Federal spending by \$83 million through 1979.

Unusual circumstances not provided for by the Impoundment Control Act of 1974 have brought about the transmission of this special message at a time that will not allow for a 45-day period of continuous session of the Congress prior to the end of the transition period when the affected funds lapse. These circumstances result from the coincidence of (1) the late approval of the Foreign Assistance Appropriations Act, 1976, on June 30, 1976, the eve of the transition quarter, (2) the short duration of the unique transition quarter itself, and (3) the schedule of congressional recesses of more than three days during this period. In view of this unusual situation, I ask the Congress to give prompt consideration to the proposed rescission.

The details of the proposed rescission are contained in the attached report.

GERALD R. FORD

The White House,
September 7, 1976.

NOTE: The attachment detailing the rescission is printed in the Federal Register of September 10, 1976 (41 FR 38750).

758

Remarks Upon Signing the Teton Dam Disaster Assistance Bill. September 7, 1976*Members of Congress and members of the executive branch and representatives of various volunteer agencies:*

First, I want to welcome you all here. I will read a statement and then will sign the legislation.

No government has the power to eliminate tragedy from human experience,

but government can and government should act quickly to minimize the pain of a great disaster and help to begin the healing process.

On the morning of June 5, 1976, the Teton Dam in eastern Idaho ruptured and the flood waters carried death and destruction to thousands of families in the Snake River Valley. The next day, after conferring with Governor Andrus, I declared the affected counties to be a Federal disaster area, and emergency relief centers were quickly established to provide assistance to the victims.

Five days later, I submitted to Congress legislation appropriating \$200 million for compensation of the victims of this terrible tragedy.¹ Within 10 days following the flood, special offices were established and operating in Idaho to handle damage claims.

Today, I am signing a bill which provides legislative authority for the compensation of personal and property damage sustained by the victims of the flood. Many of these claims have already been settled, and the money is now at work rebuilding the lives of the survivors.

The legislation which I sign today ensures that this vital aid will continue. Let me thank the Members of Congress for their strong, bipartisan support of this measure. I know, for example, how hard the Idaho delegation worked on it. Great credit must also be given to the many volunteer and church groups represented here today which played such a key role in the initial relief efforts.

Each of them displayed great courage under exceptionally difficult conditions. Together, the public and private sectors of this great country have extended to the victims not just our sympathy but a strong and steady helping hand.

NOTE: The President spoke at 11:03 a.m. at a ceremony in the Rose Garden at the White House.

As enacted, the bill (S. 3542) is Public Law 94-400 (90 Stat. 1211).

759

Remarks Upon Signing the Child Day Care Bill. *September 7, 1976*

Members of the Congress and members of the administration and distinguished guests:

Ensuring an adequate day care bill for children is an important social service. It protects the well-being of thousands of American children and the economic independence of their working parents.

¹ See Item 587.

Earlier this year, I vetoed a bill on child day care, not because I disagreed with its goals, but because that bill, in my judgment, was the wrong means to a worthwhile end. Today, I sign a new and better child day care bill, the result of cooperation between the Congress and my administration, and I thank the Members of the Congress for working with the administration in that regard.

This new and better bill embodies a major compromise on a key issue which led to my original veto. States and localities will be spared the heavy burden of costly and controversial Federal standards for child day care services.

In a different area of social service, I am happy to see that this bill also adopts a concept supported by many older Americans and contained in my Federal assistance for community services proposal. Under the bill, older persons, as well as families who obviously qualify for federally assisted social services, will be able to get those services without a demeaning scrutiny of their personal affairs.

This is a better bill than the one which first crossed my desk, and I am pleased to see the result of this compromise. It's a better bill because my veto exerted a balancing influence on the deliberations of the Congress in this important area. Without this constitutional check and balance, the original bill might now be law and making day care services more costly to the taxpayer and increasing the Federal intrusion into family life.

The constitutional veto power has been used by me as well as my predecessors with one concern in mind—to protect the American people from unrealistic responses to their very real needs, to see that the Federal Government does not merely serve the people but serves the people well.

Thank you very much.

NOTE: The President spoke at 12:06 p.m. at a ceremony in the Rose Garden at the White House.

As enacted, the bill (H.R. 12455) is Public Law 94-401 (90 Stat. 1215).

760

Statement on Signing the Child Day Care Bill.

September 7, 1976

I HAVE today signed into law H.R. 12455, a bill concerning child day care staffing standards and social services supported with Federal financial assistance. Ensuring adequate day care for children is an important social service. It protects the well-being of thousands of American children—and the economic independence of their working parents. The integrity of the family is of paramount

importance, but supportive government action is acceptable as long as it does not interfere with the family role.

Earlier this year, I vetoed the predecessor version of this bill, H.R. 9803, not because I disagreed with its goals, but because that bill was the wrong means to a worthwhile end. The Congress sustained my veto. Today I have signed a new and better child day care bill—the result of compromise and cooperation between the Congress and my administration. H.R. 12455 embodies a major compromise on a key issue which led to that veto—the imposition on States and localities of costly and controversial Federal staffing requirements for child day care services funded under Title XX of the Social Security Act.

H.R. 9803 would have imposed these standards effective July 1 of this year. Had that bill become law, it would have brought about an unwarranted Federal preemption of State and local responsibility to ensure quality day care services.

H.R. 12455, by postponing the Federal standards until October 1, 1977, will enable the States to operate day care programs for more than another year, free of onerous and costly Federal intrusion, while HEW completes a required major study and report with recommendations on the day care standards. In addition, the Congress will have the opportunity to act on my proposed Federal Assistance for Community Services Act, submitted to the Congress last February to reform the Title XX social services program.

My proposal would provide the States with the opportunity to administer the Title XX program with the necessary flexibility to meet their most pressing needs as they themselves determine those needs. It would simplify program operations and remove many of the burdensome and restrictive Federal requirements so that social services can be provided in the most efficient and effective manner and can be most responsive to the needs of our citizens. As part of this overall approach, it would require the States to adopt and enforce their own standards for federally assisted child day care.

While I am disappointed that the Congress has not, in H.R. 12455, clearly placed this responsibility and authority in the States, the bill's lengthy suspension of the standards is a positive step toward this objective.

H.R. 12455 does adopt a concept contained in my Federal assistance to community services proposal by permitting States to provide Title XX services on a "group eligibility" basis, except for most child day care services. Under this bill, States will not have to require that senior citizens and other persons who need and depend on social services programs be subjected to individual income and assets tests in order to determine whether they can participate in these programs. Such persons will be eligible as members of groups, when the States can reason-

ably assume that substantially all those to be served have incomes less than 90 percent of the State's median income.

This provision will make it possible for older persons and families who obviously qualify for federally assisted services to obtain those services without a demeaning scrutiny of their personal affairs. It will also eliminate unnecessary and costly administrative trappings for many service programs, thereby freeing more Federal and State funds for the actual delivery of services.

H.R. 12455 embodies, in part, still another central element of my Federal assistance for community services proposal: that States should no longer be required to match their share of the Federal Title XX social service funds with State and local tax dollars. Under this bill, as much as \$200 million in new Title XX funds would be distributed in fiscal year 1977 without a requirement for State matching, if States choose to spend that amount for child day care services. I am hopeful that this tentative step indicates the willingness of the Congress to consider seriously the elimination of the matching requirement for all Federal social services funds under Title XX.

I do have serious reservations about the amount of additional Federal funding provided in H.R. 12455, although it is less than the amount in the bill I earlier vetoed. It is also unfortunate that this bill, for the first time under Title XX, designates levels of funding for specified purposes. This is the antithesis of the spirit and intent of Title XX which permits States the maximum flexibility to determine their own priorities in using their share of Federal social services funds. I am also concerned that the child care provisions of this bill have not been adequately coordinated with child care provisions in the pending tax reform bill.

Much remains to be done to help the States improve their delivery of social services funded under Title XX. I am gratified that the Congress, in this bill, has moved in some measure toward accepting concepts in my proposed act to provide financial assistance for community services. Further action is needed, however, to provide more comprehensive reform that will provide States the tools and flexibility to deliver social services to those in need without cumbersome Federal regulation. I again urge the Congress to act promptly to give my proposal a full and favorable hearing.

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**Statement on Signing the Bill To Extend the Period
Prohibiting Revision of the District of Columbia Criminal
Code. *September 7, 1976***

TODAY I have signed H.R. 12261, a bill "To extend the period during which the Council of the District of Columbia is prohibited from revising the criminal laws of the District."

The prohibition on the Council's changing the Criminal Code is necessary because completion of the study for the comprehensive revision and recodification of the Criminal Code by the D.C. Law Revision Commission is a prerequisite to the transfer of jurisdiction to the Council over the D.C. Criminal Code.

The bill gives the Commission additional time within which to make recommendations to the Congress for the comprehensive revision of the District of Columbia Criminal Code. The Commission has begun the task of reviewing the criminal laws of the District but will not be able to complete its work by January 3, 1977, when, without this legislation, the D.C. Council would have been able to amend the District of Columbia Criminal Code.

No major revision of the District's criminal laws should be undertaken without the benefit of the Commission's recommendations.

NOTE: As enacted, H.R. 12261, approved September 7, 1976, is Public Law 94-402 (90 Stat. 1220).

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**Remarks on Administration Efforts To Account for Americans
Missing in Action in Vietnam. *September 7, 1976***

AT MY direction the American Embassy in Paris today contacted North Vietnamese representatives and informed them that we expect that the United States will be provided with a full accounting without further delay of all Americans missing in action in Vietnam.

Speaking on behalf of all Americans, I welcome the fact that the Vietnamese have finally begun to keep their promise to provide information on our men missing in action in Southeast Asia.

While the report on these 12 men was grim, it at least resolved their status

and removed the crushing burden of anxiety and uncertainty from their relatives and their loved ones.

But none of us can be satisfied with this limited action by the Vietnamese. What they have done is to release information of only a dozen men. They still have information on hundreds more.

For wives, parents, and friends of the men still missing, the anxiety and the uncertainty continues. It is callous and cruel to exploit human suffering in the hope of diplomatic advantage.

The Vietnamese have an obligation to provide a full accounting of all Americans missing in action. I call upon them to do so without further delay. Normalization of relations cannot take place until Vietnam accounts for all our men missing in action.

NOTE: The President spoke at 4:32 p.m. in the Briefing Room at the White House.

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The President's News Conference of *September 8, 1976*

THE PRESIDENT. Good morning. I have a very short opening statement, and then we will get to the questions.

PROBLEMS CONCERNING SOUTHERN AFRICA

[1.] I met this morning with Secretary Kissinger to discuss his report on his meetings with Prime Minister Vorster and with European leaders. On the basis of this report, I believe that good progress has been made on the problems concerning southern Africa.

It is important to understand that in this diplomatic process now unfolding, the United States is offering its good offices as an intermediary. We are willing to present ideas on how progress can be achieved, but we are not—and I emphasize not—trying to develop a specific American plan.

We have three objectives: first, to prevent an escalation of the violence which in time could threaten our national security; second, to realize popular aspirations while guaranteeing minority rights and ensuring economic progress; third, to resist the intervention in the African situation by outside forces.

In his discussions with Prime Minister Vorster, the Secretary put forward some ideas conveyed to the United States by black African leaders, and Prime

Minister Vorster gave us his reactions. As a result of these discussions, Assistant Secretary Schaufele is currently in Africa discussing the situation. On the basis of his report, I will decide whether further progress can be made through a visit by Secretary Kissinger to Africa, starting with black African countries most concerned. We want to create the opportunities and conditions for all races to live side by side.

The United States cannot solve by itself these complicated problems. We need the continued good will and dedication of the parties involved.

The process that is now beginning is an extremely important one. It is extremely complicated. There is no guarantee of success. But I believe the United States must now make a major effort because it is the right thing to do. It is in our national interest, and it is in the interest of world peace.

I will be glad to answer any questions.

QUESTIONS

SENATOR ROBERT DOLE'S CAMPAIGN FINANCES

[2.] Q. Mr. President, when you selected Mr. Dole as your running mate, did you make a thorough check of his finances over and beyond, independently of what he gave you, and how was that done? Was it done through Justice, or where?

THE PRESIDENT. The Office of White House Counsel made a very thorough investigation of all of the individuals who were being considered for the office of Vice President. That was done by demanding that they send to us various information concerning their finances and related matters.

Subsequent to that information being furnished, a member of my staff at the Office of the White House Counsel interrogated the individuals who were being considered, including Senator Dole. As a result of that interrogation and information voluntarily supplied by Senator Dole, it was concluded by the Office of the White House Counsel that all things were in order.

PRESIDENT FORD'S CAMPAIGN STRATEGY

[3.] Q. Mr. President, have we gotten a fair sample of your campaign this week, or do you have something else in mind for the future?

THE PRESIDENT. Let me say at the outset, Mr. Cormier [Frank Cormier, Associated Press], that I decided a long time ago—in fact, when I made my first announcement that I was a candidate—that the principal responsibility I had

was that of being President of the United States. And I intend to carry out that responsibility. Secondly, we have a campaign strategy that will unfold in the days and weeks ahead. It is a strategy that we will adhere to, and it is one that has been thoroughly worked out and definitely determined. And you will see how it evolves in the time ahead.

LOCATION OF PRESIDENTIAL DEBATES

[4.] Q. Mr. President, was it your suggestion that the first debate be held in Philadelphia and, if so, why?

THE PRESIDENT. Well, of course, I wanted the debates to start today, and we weren't too particular where the location might be. We are certainly in agreement with Philadelphia being the first site.

THE CANDIDATES' POSITIONS ON ABORTION

[5.] Q. Mr. President, Jimmy Carter said today that your position on abortion and his are fundamentally the same. Do you agree with that? And, secondly, do you think the issue should be debated at all in the campaign?

THE PRESIDENT. First, the Democratic platform and the Republican platform on the issue of abortion are quite different. I subscribe to the Republican platform, and Governor Carter subscribes to the Democratic platform. His position and mine are not identical. My position is that of the Republican platform, and I will stick with it.

Q. But that was not your position before.

THE PRESIDENT. I think—if I might correct you, Miss Thomas [Helen Thomas, United Press International]—the Republican platform is my platform. It is one that coincides with my long-held views.

Q. Do you think there should be a constitutional amendment against abortion?

THE PRESIDENT. I have had the position for some time that there should be a constitutional amendment that would permit the individual States to make the decision based on a vote of the people of each of the States.

Mr. Rodgers [Walter C. Rodgers, Associated Press Radio].

SALT II NEGOTIATIONS

[6.] Q. Mr. President, are we any closer to a second SALT agreement with the Russians, and if so, what are the prospects for such an agreement before the election?

THE PRESIDENT. We are continuing to work on the negotiations for a SALT II agreement. A good agreement would be in the best interest of the American

people and the world as a whole. The decision on whether such an agreement is signed will have no relevance whatsoever to this current political campaign. We hope that such an agreement can be achieved as soon as possible.

Q. What would you say the prospects are, please, sir?

THE PRESIDENT. I think they are gradually improving, but we have some very difficult problems yet to resolve.

CAMPAIGN LAWS

[7.] Q. Mr. President, don't you feel that there should be a law that limits what an incumbent President can do in the way of spending time, spending money, and use of employees of the White House and vehicles and other taxpayers' resources on his campaign?

THE PRESIDENT. I think the Congress has made its decision in that regard, Sarah [Sarah McClendon, McClendon News Service]. And I will, of course, always abide by the laws passed by the Congress.

USE OF MEDIA IN THE CAMPAIGN

[8.] Q. Mr. President, do you feel that you are in any way perhaps abusing the power of this office by controlling the media, to use the media, as it were, to make statements daily on one subject or another?

THE PRESIDENT. I apologize if I am using the American press. I am trying to do the job as President of the United States. And I hope that between the American press and the President we can convey important information to the American people.

PRESIDENT FORD'S ECONOMIC RECORD

[9.] Q. Mr. President, Governor Carter and Senator Mondale and labor leader George Meany have all in recent speeches, in criticizing your economic record, referred to the Nixon-Ford administration, thus lumping the two together.

Would you prefer to run on your own economic record rather than being associated with the Nixon economic record, specifically, imposition of wage-price controls?

THE PRESIDENT. The Ford record is the record that I will run on as far as foreign policy is concerned, as far as domestic policy is concerned. To take the particular matter that you mentioned, I have consistently said, and I reiterate, that wage and price controls will not be imposed by this administration.

This administration has had a good record in handling serious and difficult

problems in the domestic economic field. We have added 4 million new people working in the last 12 months, 500,000 more in the last 2 months. So, I will stand on my record, which I think is a good one.

SENATOR DOLE'S CAMPAIGN FINANCES

[10.] Q. Mr. President, there have been some questions in the last few days about Senator Dole. Have you had any contact with him on that subject, in particular about the control of money, or have you attempted to satisfy yourself anew about this, or perhaps your staff?

THE PRESIDENT. The statement made this morning by Mr. Wild,¹ I think clarifies the situation very dramatically. Senator Dole was in the Cabinet meeting this morning and my staff has been in contact with his, and we are satisfied today, as we were at the time we made the initial investigation of his campaign finances.

UNEMPLOYMENT AND ITS EFFECT ON THE ELECTION

[11.] Q. Mr. President, the unemployment rate has gone up for 3 straight months. What, if any, plans do you have to deal with this problem should it continue to rise?

THE PRESIDENT. Our answer is to increase the number of people working. And as I indicated a moment ago, we have added 500,000 more people working in the last 60 days. In addition, we have 88 million people working today, an alltime high. We are going to continue to emphasize that more people are working and more jobs are available. And I am convinced that with our successful efforts against inflation and more jobs, the American people will subscribe to that economic policy.

Q. May I follow up, Mr. President? Do you think the fact that unemployment is high in this particular period, just before the election, may harm you politically?

THE PRESIDENT. I think the American people are more knowledgeable, more sophisticated. They know that employment is going up every month, and that as long as there are people being hired and as long as the layoff rate continues to go down, the American people will be supportive of the economic policy of the Ford administration.

URBAN AREA PROBLEMS

[12.] Q. Mr. President, this afternoon 40 Congressmen from 14 States and the District of Columbia are meeting. This is the newly formed, as you know,

¹ The President was referring to Claude C. Wild, Jr., a former Gulf Oil Corporation lobbyist, who recanted a statement made on September 6 that he had given Senator Dole \$2,000 in 1970.

Northeast Coalition. What can you say to them were you to send a message to them? They are concerned about industry leaving the Northeast. They are concerned about—I heard what you said to Aldo [Aldo B. Beckman, Chicago Tribune Press Service]—but they are concerned about joblessness, not people with jobs. They are concerned about urban plight. What do you say to that?

THE PRESIDENT. Well, we have a good program to try and rehabilitate our major urban cities all throughout the United States, including the Northeast—our revenue sharing program, our community development program.

I signed, after a great deal of work with the Congress, a mass transit bill that is very helpful and beneficial to major industrial centers throughout the United States. We will be glad to work with any group geographically or otherwise, including the Northeast group, to try and help in that regard.

Q. They also say, Mr. President, they are not getting a fair share of the Federal dollars. You mentioned mass transportation. They say that they are getting 15 percent of the dollars whereas there was 40 percent for mass transportation in the Northeast.

THE PRESIDENT. I am not familiar with those particular statistics but those funds are released based on laws by the Congress. So, if there is a problem in that regard, I think the basic law has to be amended.

PRESIDENTIAL DEBATES

[13.] Q. Mr. President, how do you evaluate the debates as a factor in the campaign?

THE PRESIDENT. The American people will be the winner. And I am anxious that they get started as quickly as possible, and as I indicated earlier, I proposed the first one be held today.

PRICES OF INDUSTRIAL GOODS

[14.] Q. Mr. President, a related economic question. The steel companies have rescinded a price increase on flat rolled steel, which is a principal component of automobiles. Would you like to see this followed by a similar reduction or rescission of the increases in automobile prices recently announced by the automobile companies?

THE PRESIDENT. I would hope that the automobile manufacturers would take that into consideration.

Q. I would like to ask it in the framework of the fact that although you are claiming success against inflation, the industrial component of both wholesale and retail prices continues to rise, and this is the component that once it is up

it does not go down. It is not volatile like food prices. With respect to the automobile companies, the other basic manufacturing segments of the economy, what would you like to see done? What do you think ought to be done? Or do you think anything needs to be done to try to stabilize the industrial component?

THE PRESIDENT. I believe that the wholesome competition in the American free enterprise system will solve that problem better than any other way.

PRESIDENTIAL DEBATES

[15.] Q. Mr. President, what sort of preparations are you making for these debates? Do you, for instance, have one of your aides acting out the role of your opponent so you can get ready that way?

THE PRESIDENT. Not at all, Fred [Frederic W. Barnes, Washington Star]. I am obviously doing a great deal of study and preparation for these debates because I want the American people to know not only my own views but the views of Mr. Carter. And I think the best way for that to take place is for me and for himself to set forth those views, and that will be done in three debates.

Q. Mr. President, what is it you are doing in preparation? Are you studying some of Mr. Carter's statements? Are you watching videotapes of Governor Carter?

THE PRESIDENT. The matter is being thoroughly studied by me comprehensively.

MINORITY RIGHTS IN SOUTHERN AFRICA

[16.] Q. Mr. President, you mentioned the African guaranteeing of minority rights. How many black governments in Africa do you regard as having shown minority rights—or respected them? Could you name some, and how could you go about guaranteeing such minority rights in the future?

THE PRESIDENT. I think in the plans that will evolve—and I hope they do—there will be adequate protection for minority rights in the two areas being considered at the present time.

FBI DIRECTOR CLARENCE KELLEY

[17.] Q. Can you tell us what went into your judgment not to fire or reprimand the FBI Director in light of the questionable allegations raised against him?

THE PRESIDENT. Let me answer the Kelley matter this way: I was disappointed, to say the least, with the two responses given to the Kelley questions to Governor Carter. One, I think it showed a lack of compassion in the one

statement, and a second statement that seemed to be contradictory of the first one.

I hope that Governor Carter understood that Mrs. Kelley at that time was suffering terminal cancer, and that was a very sad and difficult time for the Director of the FBI. Number two, I was confused when in either Connecticut or Brooklyn he said that if he were President yesterday he would fire him, and then at the next stop he would not indicate whether he was going to fire him or keep him if he became President on January 21. So, I am confused on the one hand by his flip-flop on this issue, and I am very disappointed at his lack of compassion on the other.

Now, the recommendation made to me by the Attorney General after thoroughly investigating the facts was that the circumstances were such that the FBI Director should be kept. He has reimbursed the Federal Government of \$35 (\$335), I think, for the furnishings for his apartment, and he has done a good job in my opinion in straightening out a very difficult situation in the FBI.

ABORTION AS A CAMPAIGN ISSUE

[18.] Q. Mr. President, on the matter of abortion, sir, do you feel that this issue, which is so semireligious and so emotional, is a fit subject for a political debate, political discussion?

THE PRESIDENT. I don't think the American people expect candidates for office to duck any issues just because they are intense, with good people on both sides having different views. I think the American people ought to get an answer from Governor Carter and myself on this issue just like on any other issue.

PRESIDENT FORD'S ACTIVITIES DURING THE CAMPAIGN

[19.] Q. Mr. President, what do you think of Mr. Carter's characterization of you as "timid" in one statement and as "a captain hiding in a stateroom" in another?

THE PRESIDENT. That brings up an interesting point. I understand yesterday that Senator Mondale was complaining because I was not campaigning enough, and on August 4 of 1976, Governor Carter was complaining because I was campaigning too much. I wish they would get their act together. And it just seems to me that the American people want me first to be President and do the job here in the best way possible, and I intend to do it. And I will campaign at the proper time.

Q. Mr. President, in connection with that, if you find your campaign running in a dry gulch, won't you change your plans?

THE PRESIDENT. I don't expect the campaign on behalf of President Ford to run into a dry gulch. We are making good headway. I think the polls reflect it, and we expect to win.

CAMPAIGN CONTRIBUTIONS FROM ADMINISTRATION OFFICIALS

[20.] Q. Mr. President, sir, the reports of your campaign committee during the primaries indicate that approximately 100 Federal officials gave campaign contributions to the President Ford Committee, and some of them have subsequently said that they did so in response to solicitation letters from Mr. Mosbacher and other officials of the committee. Do you think it is proper for the President Ford Committee to keep those contributions, or should they be sent back?

THE PRESIDENT. I was not familiar with any solicitation of any Federal official on behalf of the President Ford Committee. And when I was shown that some individuals of this administration had voluntarily given to the President Ford Committee, I did not know that they had done so beforehand. So, I am sure there was no pressure, certainly none from me.

PARDON OF FORMER PRESIDENT NIXON

[21.] Q. Mr. President, today, I believe, is the second anniversary of the pardon of Richard Nixon. I know you said in the past, under the same circumstances you would issue the pardon again. I wonder if you have any thoughts you would share with us about the impact the pardon will have on the election and how you plan to respond to any charges that are made?

THE PRESIDENT. If it is made a political issue, either subtly or directly, it is going to be very difficult to anticipate what the public reaction will be. But I made that judgment 2 years ago today on the basis of the circumstances at that time.

I thought it was in the national interest that I concentrate on the international problems, which were serious, and domestic problems, which were critical. And I felt at that time I should devote 100 percent of my time to the problems both at home and abroad. And I think if the same circumstances prevailed today, I would do the same.

GRANTING ASYLUM TO SOVIET MILITARY DEFECTOR

[22.] Q. Mr. President, this question is in two parts. Has the Soviet Union contacted you personally or this Government with regard to the pilot who has defected and asked for political asylum? And, secondly, are you concerned that

your decision to grant political asylum will injure progress in our relations with the Soviet Union and specifically on SALT and matters of that kind?

THE PRESIDENT. I am not familiar with any inquiry by the Soviet Union. They may have, but I am just not informed as to that.

Number two, we have decided to grant asylum if the Soviet pilot asks for it. This is a tradition in the United States, and as long as he wants such asylum he will be granted it in the United States. I don't think that granting him asylum will interfere with our relations with the Soviet Union.

FBI DIRECTOR KELLEY

[23.] Q. Mr. President, going back to the Kelley matter for a moment. Governor Carter said yesterday also that the FBI Director should be as pure as Caesar's wife. Do you agree with that statement, and in light of the allegations against Mr. Kelley, do you think he is?

THE PRESIDENT. On the basis of a thorough investigation by the Attorney General, an outstanding lawyer, and I think an outstanding Attorney General, he recommended that I take the action which I did, which was to keep the FBI Director. And I have full faith in the analysis and the recommendations of the Attorney General, and therefore I think I made the right decision.

NOTE: President Ford's thirty-sixth news conference began at 12:43 p.m. on the South Lawn at the White House.

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Message to the Congress Transmitting Quarterly Report
of the Council on Wage and Price Stability.
September 8, 1976

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the seventh quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the second quarter of 1976 in monitoring both prices and wages and the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's study of collective bargaining negotiations for 1976 health costs, steel products, and chemicals as well as its filings before various Federal regulatory agencies.

During the remainder of 1976, the Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

GERALD R. FORD

The White House,
September 8, 1976.

NOTE: The report covering the period April through June 1976 is entitled "Quarterly Report: July 1976—Council on Wage and Price Stability, Executive

Office of the President, Washington, D.C., No. 7" (Government Printing Office, 56 pp.).

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Statement on International Air Transportation Policy.

September 8, 1976

INTERNATIONAL aviation is essential in a world that has become economically interdependent. Historically, the United States has had a leadership role in the development of international air transportation and intends to continue that role.

Aviation is an essential part of the foreign commerce of the United States. It is required for mail, high priority cargo, government business, and urgent personal travel. A desirable, low-cost means of international pleasure travel, aviation helps bring the people of many cultures and nationalities together, creating a greater sense of friendship and mutual understanding.

The United States seeks an international economic environment and air transportation structure conducive to healthy competition among all air carriers. We shall rely upon competitive market forces to the greatest extent feasible, for it is a basic tenet of our economic philosophy that marketplace competition provides improved services and permits the well-managed carrier to earn a profit while lowering total costs. At the same time, we recognize that other nations may differ in their view as to how such transportation should be organized and operated. We shall work through appropriate bilateral and multilateral forums to bring about constructive change for the benefit of air travelers, shippers, and carriers of all nations.

The international air carrier industry should continue to have the primary responsibility for adapting its air transport product to public demand. Regulatory

regimes imposed by governments should not stifle the industry's flexibility to respond to this demand, nor should they remove incentives to keep costs low.

The Economic Policy Board Task Force on International Air Transportation Policy, chaired by the Departments of Transportation and State, has recommended a comprehensive statement of United States policy. The statement sets forth the objectives the United States will seek in negotiations with other nations. It also calls for balanced revisions of certain regulatory policies of the Civil Aeronautics Board.

I am approving this statement of international air transportation policy to supersede the one issued June 22, 1970,¹ and am directing that this new statement of policy guidance be used henceforth by officials of the Government in dealing with international aviation matters.

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Remarks at the B'nai B'rith Biennial Convention.

September 9, 1976

Thank you very much, David. Ambassador Dinitz, distinguished guests, ladies and gentlemen:

At the outset, let me express my deep gratitude and appreciation for that more than generous introduction. And I understand, David, that you are unopposed this year in your campaign for the presidency of B'nai B'rith. David, you will have to tell me how you do it. [*Laughter*]

I am honored to address this convention saluting both the 133d year of B'nai B'rith and the 200th anniversary of the United States. You, the sons and daughters of the Covenant, have kept your commitment to Judaism and to America.

As one of America's pioneer voluntary agencies, your seven candles have generated light and warmth and love. Your compassion illuminates the best of our Nation's traditional spirit of voluntary service to others. Your devotion to family virtues and values makes me proud to serve as President of the great American family of which the Jewish community is a cherished member.

I have been meeting with B'nai B'rith for more than a quarter of a century and always understood that you were a nonpartisan organization. I had prepared an appropriately nonpartisan speech for this morning, but when I saw the morning paper, I was disappointed to see that one of your speakers yesterday apparently kicked off our debates from this rostrum. As a matter of fact, I origi-

¹ See Public Papers of the Presidents, Richard Nixon, 1970 volume, Item 195.

nally proposed that our first subject be defense and foreign policy, and that it should be held yesterday, September 8. Mr. Carter rejected this arrangement. I guess he did not want me to be present. Well, I got here as quickly as I could. [Laughter] Without objection, I'd like my turn at the plate.

Number one, Mr. Carter told you, "I have called for closer ties with our traditional allies and stronger ties with the State of Israel." I say to you, Israel is one of our traditional allies, and our ties have never been closer or stronger.

As for our other allies, the gentleman has proposed troop withdrawals from Western Europe and from Korea; defense budget cuts that would cripple our ability to supply or sustain our friends; bans on nuclear tests by our allies; a nuclear strategy of massive retaliation—policies which would invite a major crisis with our allies, including Israel.

Number two, Mr. Carter told you, and I quote, "I have stressed the necessity for a strong defense, tough and muscular, adequate to maintain our freedom under any conceivable circumstances." I say to you, the gentleman on other occasions has advocated defense cuts of \$5 to \$7 billion, delaying our strategic bomber program, withdrawing from overseas bases, and cutting off military aid to vital allies. I say to you, if we do any or all of these things it would be impossible to have a defense adequate to maintain our freedom and the freedom of our friends.

Finally, I seem to recall that the shepherd boy, David, was both tough and muscular. It's a good thing he also had the most advanced weapon system of that day.

Number three, the gentleman told you, "We have allowed virtually unlimited sales of arms to countries around the world, a policy as cynical as it is dangerous." I tell you, most of our arms sales in military aid goes to key countries like Israel and Iran. I assume he is not proposing to cut off Israel.

Does the gentleman want Soviet arms to have a monopoly in the world? Does he want our adversaries to arm not only the radical Arabs but also the more moderate Arabs? Does Mr. Carter honestly consider his own country's bipartisan policies more cynical and less moral than the Soviet Union's?

And now, back to my nice nonpartisan speech.

As America celebrates its 200th anniversary, there is a new maturity in our national pride. There is a new awareness that ours is a nation of many faiths and denominations—Jewish, Catholic, Protestant, and others—all equally honored and all equally separated and protected from government by the Constitution of the United States. A fresh optimism grows from self-confidence and mutual trust and from a reliable, stable, enduring philosophy of government.

Just as B'nai B'rith honors a sacred Covenant, so does our Nation at home and abroad. Ours is a covenant with freedom. As descendants of those who found sanctuary and fulfillment in this great land, we know that freedom is indivisible. Tyranny and terrorism abroad endanger freedom at home. We are our brother's keeper.

Our own Bicentennial Independence Day was enhanced by an event that day at Entebbe Airport in Uganda.¹ That action of liberation freed our own hearts to fuller understanding of the universal meaning of independence—and the courageous action sometimes required to preserve it.

A free people must never capitulate to terrorism. That is why I long ago asked for mandatory prison sentences for airplane hijackers. Certainty of punishment prevents crime. I have strongly urged international action to stamp out terrorism wherever it occurs.

America has always been a land of new beginnings. Our ancestors who came to these shores made a new beginning. They saw America as a promised land. As we approach the Jewish New Year, many Americans know that we are making a new start in our national life.

Something wonderful happened to America in the last 2 years. Together, we overcame a time of torment at home and abroad, military involvements and economic threats, assassinations and wrongdoing in high places. We recaptured the spirit of 1776.

We believe in the hopes of our revolutionary founders and our immigrant ancestors. We found new meaning in their vision of free men and free women enjoying limited government and unlimited opportunity. We renew our commitment to those less fortunate than ourselves. We know that the United States of America is sound. We are secure. We are on the march to full economic recovery and a better quality of life for all Americans.

America's salvation is not in a revival of outdated social experiments financed by you who pay the taxes and obey the laws. I see no excuse whatsoever for arbitrary quotas on the basis of race, religion, or national origin in employment or education. In the name of justice for some, we must not do injustice to others. Opportunities should be open to all Americans on an equal basis. That is basic to the finest American principles of liberty and justice for all.

When I became President 2 years ago, I pledged to be President to all of the people. I renew that pledge today and support it, not with vague plans and vacillating promises, but with a proven record of performance.

¹ See Item 648.

Two years ago the scene was grim. Could we muster the unity and will to overcome our domestic turmoil? Could we stand up for freedom? We not only could but we did.

Today, not a single American is at war anywhere on the face of this Earth. America is at peace and seeks peace for all countries.

Look what has happened in the Middle East. The United States has helped bring about a momentum towards peace that has no parallel in Middle East history. Every American can stand up with pride for what this country helped to do. Two agreements were reached for the separation of forces on the Egyptian and Syrian fronts. Buffer zones were created to protect against a surprise attack—and every war between Israel and Egypt, its Arab neighbors, has grown out of surprise attack or fear of it. The forces of moderation—leaders who were willing to commit themselves to the peace process—were strengthened. The disruptive role of those opposed to the peace process has steadily declined.

The United States has fashioned new institutions of energy cooperation with its major allies, including contingency measures to safeguard against a new oil embargo.

America's important contacts with the Arab world grew again. The resettlement of cities along the Suez Canal and the clearing of the Canal for international traffic gave practical evidence of a turn towards peace.

Then, just a year ago, came the Sinai agreement—a dramatic milestone, the first Arab-Israeli agreement that was not just an armistice in the aftermath of hostilities. It was a political as well as a military step; it was intended by both sides as a significant advance toward peace. In that agreement both Egypt and Israel pledged:

—that “the conflict between them and in the Middle East shall not be resolved by military force but by peaceful means”;

—and “they are determined to reach a final and just peace settlement by means of negotiations called for by the Security Council Resolution 338”; and

—that they will “not . . . resort to the threat or the use of force or military blockade against each other.”

As a result the danger of war and destruction was further reduced for both sides. Not a single young Israeli or a single young Egyptian has since died fighting in the Sinai.

There is no precedent for the promise of lasting and just peace in the Middle East which this agreement has opened up. Both Prime Minister Rabin and President Sadat believe the agreement is the possible turning point.

Prime Minister Rabin, who has been my personal friend since he was Am-

bassador here and I was in the Congress, reported to his Parliament on June 15 this year, and I quote:

"I note with satisfaction that during the past 2 years, relations between the United States and Israel have become closer.

"Our governments have arrived at a common approach regarding the desirable political direction on the road to peace and in the development of processes of peace . . . there has been no erosion in the position and in the attitude of the Administration, the Congress, and the American public, toward Israel.

"Relations between the United States and Israel remain firm . . . it will never be superfluous to emphasize and reemphasize the feeling of gratitude and appreciation that the people, the Knesset and the Government in Israel maintain toward the United States for its stand on Israel's side."

The negotiating process will continue. The progress made has withstood the dangerous conflict in Lebanon, and I believe it helped to prevent that tragic warfare from spilling over into a wider confrontation.

I intend to pursue further progress, because it is right for America, right for Israel, right for the Arabs, indeed right for all the peoples throughout this world. I do not promise you it will be easy.

I can tell you what I will do:

There will be no imposed solutions, but agreements whose terms are hammered out between the parties as in the Sinai agreement. There will be no one-sided concessions, but a balanced quid pro quo in exchange for everything given up. We will proceed as we have in the closest, constant consultation with Israel before, during, and after any negotiations.

A strong Israel is essential to peace and to the national security interests of the United States. From the time I first ran for Congress in 1948, I recognized the justice of Israel's rebirth and its importance to the United States. I am proud to stand on my consistent 28-year record of support for Israel. You know where I stand. The funds I proposed for Israel in my first two budgets totaled over \$4 billion for 27 months. These figures speak more eloquently than words.

I am proud that my ambassadors at the United Nations have stood up and spoken out for the elementary principle of fairness that Americans believe in. I tell you now that we will fight any measure that condemns Zionism as racism or that attempts to deny Israel her full rights of membership in the United Nations. The United States will stand firm in its commitment to Israel's security and survival.

America's policy of peace through strength has proven itself in the Middle East and throughout the world. Nobody questions our dedication to peace, and

nobody doubts our willingness to use our strength when America's vital interests are at stake—and we will.

A strong defense is the best insurance for peace. But our strength has never rested upon arms alone. It is rooted in our mutual commitment to the highest standards of ethics and morality. Take the Arab boycott as an example. This involves both moral and legal questions, domestic as well as international issues. It is easy to escalate emotionally, but not nearly so easy to resolve rationally.

I opposed Arab boycott practices when I was in the Congress. I have always opposed discrimination. America was born as a refuge from discrimination.

As President, I have taken the strongest executive action in American history against foreign economic practices that discriminate against American citizens. Last November, I set forth a detailed program of administrative orders and regulations, now in force, which prohibit any discrimination in export transactions based on race, color, religion, sex, or national origin.² Our moral and legal opposition to the Arab boycott of Israel has been made forcefully clear, not only to foreign governments but to the American business community. This campaign, together with careful diplomacy and the efforts of individual U.S. firms, has resulted in the easing of boycott practices and an effective end to open discrimination.

This morning I reiterate my determination to make further progress, if necessary by legislation, so that Government officials at all levels and the American people will know that I mean business.

And I can tell you, I will continue to seek further progress on the issue of emigration from the Soviet Union. I raised it personally with General Secretary Brezhnev. I have discussed it on many occasions with my former colleagues in the House and in the Senate, with the determination to restore the prior rates of emigration.

As a government and as a nation, we continue to stress the importance attached by all Americans to the basic human right to live where one chooses in this world today.

A moral and ethical government promises its citizens no more than it can deliver and delivers all that it promises. For too long the American people have been promised panaceas for which we are still paying in credibility and in cash.

My record is one of performance, not promises. My record is one of realism, not rhetoric. My record is one of experience, not expediency.

Under our system, in a national election candidates will naturally disagree

² See 1975 volume, Items 689 and 690.

on political philosophy. That is why I was delighted when Mr. Carter accepted my challenge for a nationally televised debate on the real issues facing 215 million Americans.

It is still my fervent hope that this campaign will be pursued in keeping with the best American traditions. America has no place for those who would set brother against brother, group against group, American against American. America did not rise to the heights by catering to fear and to prejudice. We succeeded through courage, decency, commonsense. We are all equal in the eyes of God.

My administration will go on working for a better world. We have absolutely no reason to fear our adversaries abroad as long as we remain strong and true to our principles. Our system has proven its superiority in every way. In remaining vigilant we must never abandon our vision or our spiritual values.

In the words of the New Testament, "Let us [therefore] follow after the things which make for peace," heeding still the Old Testament which encourages us to "seek peace, and pursue it."

As we must never lose our vigilance, neither must we ever lose our vision.

Thank you very much.

NOTE: The President spoke at 9:40 a.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to David M. Blumberg, president of B'nai B'rith, and

Simcha Dinitz, Israeli Ambassador to the United States.

As printed above, this item follows the text of the White House press release.

767

Remarks on the Death of Mao Tse-tung. *September 9, 1976*

THE PEOPLE'S Republic of China announced today the passing away of Chairman Mao Tse-tung.

Chairman Mao was a giant figure in modern Chinese history. He was a leader whose actions profoundly affected the development of his own country. His influence on history will extend far beyond the borders of China.

Americans will remember that it was under Chairman Mao that China moved together with the United States to end a generation of hostility and to launch a new and more positive era in relations between our two countries.

I am confident that the trend of improved relations between the People's Republic of China and the United States, which Chairman Mao helped to create, will continue to contribute to world peace and stability.

On behalf of the United States Government and the American people, I offer

condolences to the Government and to the people of the People's Republic of China.

Thank you very much.

NOTE: The President spoke at 12:40 p.m. to reporters assembled in the Briefing Room at the White House.

Chairman Mao was the Chinese Communist Party Chairman from 1949 until his death in Peking.

768

Remarks Upon Signing a Proclamation for the Observance of National Hispanic Heritage Week, 1976. *September 10, 1976*

FIRST, LET me welcome all of you to the East Room in the White House as I sign this proclamation [4459] designating September 12 through the 19th as National Hispanic Heritage Week. It is wonderful to have you all here. Unfortunately, we could not have it outside because of the weather, but both Betty and myself are delighted to have you with us here in the East Room of the White House.

In this Bicentennial Year it is good for us—I think all of us—to consider how much the people who came to the New World in a search for an opportunity to determine their own futures have meant to America. These representatives of many races and many cultures brought with them their own unique heritage and contributed immeasurably to the American spirit and to the American character.

America's Hispanic heritage runs particularly deep. Men and women of Hispanic origin fought in our Revolutionary War. Hispanic Americans have enriched our culture, our arts, and our scholarship. They have helped build an America where freedom and equality as well are the practice as well as the ideal.

In recent months more than 11 million Americans of Hispanic origin have made great and substantial contributions and accomplishments to a better America. More than 50 Hispanics have been appointed to ranking positions in the Federal Government. And, although the Members of Congress with Hispanic origin are not here because of other responsibilities up on Capitol Hill, I am pleased to note, as we all do, that in both the House and the Senate, on both sides of the aisle, those with Hispanic heritage are well represented.

Federal funds for bilingual education have been increased. A system of Spanish-speaking coordinators has been established to help Hispanic Americans get worthwhile jobs. The Voting Rights Act has been extended to protect

Spanish-speaking individuals throughout our country and to protect their rights of the franchise that is so important to all of us.

Hispanic know-how, energy, pride, and dedication have strengthened America for over two centuries. The Hispanic contribution to America has been consistent and a vital influence on a better society in our country. I know that contribution will continue to flourish in the years ahead and continue to add to all that is good in America.

Today, therefore, I am very proud to have the opportunity of signing this proclamation for National Hispanic Heritage Week, and I congratulate all of you for the contributions you have made and for the attendance here on this occasion.

NOTE: The President spoke at 12:10 p.m. at a ceremony in the East Room at the White House.

769

Letter to the Archbishop of Cincinnati Following a Meeting With the Executive Committee of the National Conference of Catholic Bishops. *September 10, 1976*

Your Excellency:

I want to thank you and other leaders of the National Conference of Catholic Bishops for visiting with me today to discuss issues of mutual concern and interest. Because many of these issues are highly sensitive, I thought it might be helpful to set forth my views on paper so that others who could not be with us might have a more precise understanding of my convictions on these issues.

One of the most controversial issues of our time and one in which we share a keen interest is the question of abortion. I have grave concern over the serious moral questions raised by this issue. Each new life is a miracle of creation. To interfere with that creative process is a most serious act.

In my view, the Government has a very special role in this regard. Specifically, the Government has a responsibility to protect life—and indeed to provide legal guarantees for the weak and unprotected.

It is within this context that I have consistently opposed the 1973 decision of the Supreme Court. As President, I am sworn to uphold the laws of the land and I intend to carry out this responsibility. In my personal view, however, this court decision was unwise. I said then and I repeat today—abortion on demand is wrong.

Since 1973 I have viewed as the most practical means of rectifying the situation

created by the Court's action a Constitutional amendment that would restore to each State the authority to enact abortion statutes which fit the concerns and views of its own citizens. This approach is entirely in keeping with the system of Federalism devised by the founders of our Nation. As Minority Leader of the House of Representatives, I co-sponsored an amendment which would restore this authority to the States, and I have consistently supported that position since that time.

My position has been based on three fundamental convictions:

—I am against abortion on demand.

—The people of every State should have the Constitutional right to control abortion.

—There is a need to recognize and provide for exceptional cases.

I should also point out that the Republican Platform which I support is fully consistent with these views.

I recognize that this abortion question is a matter of deep personal and moral conviction. Honorable people may disagree, but all of us must be concerned about an increased irreverence for life within advanced societies.

Americans have benefited greatly by our rich spiritual heritage. The sound, sensible lessons of goodness imparted by religious teachers and devoted parents have done more than anything else to prepare our children for life.

A second issue of mutual concern is the future of non-public schools. Traditionally, those schools have made a vital contribution to our society, richly adding to the fiber of the American experience. We are a Nation that values competition and diversity. I believe that diversity is as important in education as it is in politics, business, the professions, in our personal lives and in our cultural traditions.

I know that these last few years have not been easy ones for non-public schools. This has been a period of self-examination. I want you to know that as President, I am totally committed to support your efforts to provide the best possible education for the approximately four million children enrolled in Catholic institutions.

Earlier this year, I proposed to the Congress a block grant program to combine 24 existing programs for Federal assistance to elementary and secondary education. This legislation, which would make \$3.3 billion available to State and local governments during fiscal year 1977, provides that non-public school children will continue to be served equitably.

In all that I do as President, I will continue my dedication to freedom of educational opportunity in order to guarantee the continued high quality of the

educational tradition in non-public schools—a tradition for which you deserve great credit.

A third issue of mutual concern is the policy of the United States toward relieving hunger and malnutrition in the world. The United States, I am proud to say, has a strong record of responding positively to this matter, in keeping with both the tradition of humanitarian concern of the American people and the sense of responsibility which we who are more fortunate feel toward those with less.

We have tried to address the two main aspects of the world food problem in the most constructive way possible:

—First, to alleviate an immediate need for food assistance, the U.S. will be able to furnish this year about 6 million tons of food assistance, 6 million of the 10 million ton annual food aid target set for all countries at the World Food Conference in Rome. Through our PL-480 program, we are able to use the enormous productivity of the American farmer to meet human needs with grain which the poorer nations could not otherwise afford to import.

—Second, through our foreign assistance program, we are seeking to curb some of the underlying causes of the food problem by working to improve agricultural production in the developing countries, particularly those which suffer major shortfalls in food. This is of critical importance to the prospects for economic growth.

Private voluntary agencies also play an important role in the overall U.S. assistance effort, and have made a major contribution in alleviating world hunger, providing inputs of both food and economic assistance—an inspiring demonstration of the humanitarian zeal of the American people.

Last year this country proposed the creation of an international system of nationally held food reserves which would provide against the human and economic disaster which could result from a global shortfall in grain production. We are continuing to push for conclusion of an agreement on this proposal in the International Wheat Council.

Let me add one final note. When I visited the International Eucharistic Congress in Philadelphia last month, I commented that “for millions of men and women, the church has been the hospital for the soul, the schoolroom for the mind, and the safe depository for moral ideals. It has given unity and purpose to the affairs of man. It has been a vital institution for protecting and proclaiming the ultimate values of life itself.” That is a view I have long held. It is one that I reaffirm now.

I greatly appreciate the opportunity to meet with you today. I look forward to future discussions with you and with others of every faith.

Sincerely,

GERALD R. FORD

[The Most Reverend Joseph L. Bernardin, 29 East 8th Street, Cincinnati, Ohio 45202]

NOTE: The President met with Joseph L. Bernardin, archbishop of Cincinnati and president of the conference; Terence Cardinal Cooke, archbishop of New York; James W. Malone, archbishop of Youngstown,

Ohio; John J. McGuire, archbishop of New York and treasurer of the conference; and Bishop James S. Rausch of Washington, D.C., general secretary of the conference.

770

Exchange With Reporters Following a Meeting With Secretary of State Kissinger. *September 11, 1976*

I HAVE asked Secretary Kissinger, as we announced yesterday, to go to southern Africa. It's a very important mission. It has many complicated elements in it. It involves tremendous risks. But it's my strong feeling that the United States can play a constructive role. We have to work with the various parties to sort out the complex issues, and we can be helpful.

There is no assurance of success, but it's worth the risk, I think, for world peace and a continent that is vitally important to all of us. It seems to me that this is an area of the world where the Africans should basically settle African problems without the involvement directly of either the United States, the Soviet Union, Cuba, or any outside nation.

It's a mission that has high risks but, if successful, will be tremendously important in the years ahead for all the peoples of the world, particularly the Africans.

I wish you well, Henry. I will walk you to the car.

REPORTER. Mr. Carter has been saying again in the last couple of days that you are spending too much time hiding in the White House and not out among the people.

THE PRESIDENT. My answer is that again he is being somewhat inconsistent. A few weeks ago, I think early in August, he was complaining because I was campaigning too much and not spending enough time on Government business. And now that I'm spending virtually 100 percent of my time on being President, he is being critical of the fact that I'm not out politicking.

As I said before, I think his positions are inconsistent here as they have been in many other cases. And I repeat what I have said many times—that the

President ought to be President and get that job done and politic, if and when he can, on the side.

Q. What about the abortion issue, Mr. President? I think he has accused you of exploiting it.

THE PRESIDENT. Not at all. My position on this very emotional and very vital issue has been well known. I have not brought it up. It's a position that the American people are interested in, and his views and mine ought to be set forth on the record. I have done it, and I trust he will.

Thank you all very much. Have a good day.

NOTE: The President spoke at 10:15 a.m. on the South Lawn at the White House where he bid farewell to the Secretary of State, who departed for Africa on September 13.

771

Remarks Upon Signing the Bill To Protect the New River of North Carolina. *September 11, 1976*

Senator Helms, Governor Holshouser, Members of the House of Representatives:

I'm delighted to welcome all of you here today for a bill signing ceremony in the Rose Garden of the White House.

In just a minute, I will sign into law a bill to protect the New River in North Carolina from destruction by including it in the National Wild and Scenic River System.

This new law, as many of you know here, is the culmination of years of effort by a great many people. And I congratulate all of you here and your many friends for your persistence, your courage, and your ultimate success.

Some very serious obstacles had to be overcome for this legislation to be enacted. In a way, I think that's the way it should be. When a decision has to be made between energy production and environmental protection, both sides have legitimate and very worthy points to be made, and such decisions should never be made in haste.

But the most important consideration on this issue or any other issue in a government like ours is, what is the will of the people involved? It should not matter whether the people involved are rich or poor, famous or anonymous, powerful or not. And it is clear that in this key case, the people wanted the New River like it is.

Through the tireless efforts of the North Carolina delegation, past as well as

present, through the combined efforts of Governor Holshouser and the many, many people in the State of North Carolina, the people's will has now been done. An ancient and majestic river, and the beautiful land that surrounds it, has been saved for future generations to enjoy just as we have.

With special pride and a great deal of pleasure, I now sign this act into law, and I join you in the hope that the New River will flow free and clear for another 100 million years.

NOTE: The President spoke at 12:10 p.m. at a ceremony in the Rose Garden at the White House. In his opening remarks, he referred to Senator Jesse Helms and Gov. James E. Holshouser of

North Carolina.

As enacted, the bill (H.R. 13372) is Public Law 94-407 (90 Stat. 1238).

772

Remarks Upon Signing the Government in the Sunshine Act. September 13, 1976

Distinguished Members of the House and the Senate, members of the administration, and guests:

It is my great privilege and honor this morning to sign into law S. 5, the Government in [the] Sunshine Act.

I strongly endorse the concept which underlies this legislation, that the decisionmaking process and the decisionmaking business of regulatory agencies must be open to the public.

And I congratulate the Members of the Congress in making certain that this legislation comes to the White House and is available for my signature on this occasion.

In a democracy the public has a right to know not only what the government decides but why and by what process. Today many citizens feel that their government is too remote, that it is not responsive to their needs. This legislation should go a long way in reaffirming that government exists for the people, not apart from the people.

Under this law some 50 regulatory agencies, including the Securities and Exchange Commission, the Civil Service Commission, and the National Science Board, are required to give advance notice of their meetings and then hold these meetings in public. If an agency votes to close a session for one of the specific reasons set forth in the law, verbatim transcripts of most such meetings would be available to the public.

The law also prohibits any communication between agency officials and out-

side persons having an interest in matters being considered before a regulatory body. Furthermore, the Freedom of Information Act has been amended by narrowing the authority of agencies to withhold information from the public.

The Government in [the] Sunshine Act is in keeping with America's proud heritage that the government serves and the people rule. This afternoon, I am delighted to sign this legislation and to reaffirm that heritage and let the sunshine in.

NOTE: The President spoke at 12:07 p.m. at a ceremony in the Rose Garden at the White House.

As enacted, S. 5 is Public Law 94-409 (90 Stat. 1241).

773

Statement on Signing the Government in the Sunshine Act. *September 13, 1976*

I HAVE today signed into law S. 5, known as the Government in the Sunshine Act. I strongly endorse the concept which underlies this legislation—that most of the decisionmaking business of regulatory agencies can and should be open to the public.

Under this new law, certain agencies, such as the Securities and Exchange Commission, the Civil Service Commission, and the National Science Board—approximately 50 in all—are required to give notice in advance and hold their business meetings open to public observation, unless the agency votes to close a session for a specific reason permitted by the act. Verbatim transcripts would be required to be maintained and made available to the public for many of the closed meetings.

Communications between agency officials and outside persons having an interest in a statutorily required hearing or an adjudication are prohibited. Furthermore, the provision of the Freedom of Information Act which permits an agency to withhold certain information when authorized to do so by statute has been narrowed to authorize such withholding only if the statute specifically prohibits disclosure, or establishes particular criteria for the withholding, or refers to particular types of matters to be withheld. The new act also amends the Federal Advisory Committee Act to permit the closing of such committee meetings for the same reasons meetings may be closed under this act.

I wholeheartedly support the objective of government in the sunshine. I am concerned, however, that in a few instances unnecessarily ambiguous and perhaps harmful provisions were included in S. 5.

The most serious problem concerns the Freedom of Information Act exemption for withholding information specifically exempted from disclosure by another statute. While that exemption may well be more inclusive than necessary, the amendment in this act was the subject of many changes and was adopted without a clear or adequate record of what statutes would be affected and what changes are intended. Under such circumstances, it can be anticipated that many unintended results will occur including adverse effects on current protections of personal privacy, and further corrective legislation will likely be required.

Moreover, the ambiguous definition of the meetings covered by this act, the unnecessary rigidity of certain of the act's procedures, and the potentially burdensome requirement for the maintenance of transcripts are provisions which may require modification. Implementation of the act should be carefully monitored by the executive branch and the Congress with this in mind.

Despite these concerns, I commend the Congress both for its initiative and the general responsiveness of this legislation to the recommendations of my administration that the Government in the Sunshine Act genuinely benefit the American people and their government.

774

Remarks Upon Signing Amendments to the Packers and Stockyards Act of 1921. *September 13, 1976*

Members of the House and the Senate, members of the livestock industry, distinguished guests, ladies and gentlemen:

American agriculture, as we all know, built on the free enterprise and open market system, has long been the envy of people all over the world. No other nation has an agricultural industry to match American farmers and ranchers when it comes to providing food at reasonable cost.

In recent years, however, we have seen the need for greater protection of livestock producers. The legislation I am about to sign assures that our livestock producers will receive payments for the livestock they sell to meatpackers, even if a packer should suddenly go out of business.

Last year, cattle producers unfortunately lost millions of dollars when one major meatpacker went bankrupt. This legislation will prevent such losses in the future. These constructive amendments to the Packers and Stockyards Act

will reassure producers, provide stability in the marketplace, and help to ensure an adequate supply of meat for American consumers.

I am happy to see so many Members of the House and the Senate who were very instrumental in the passage of this legislation. Their bipartisan efforts gave Americans a sensible and a rapid response to a clearly demonstrated need.

Without creating excessive restrictions on any segment of the industry, without creating a superfluous, new government agency, and without significantly modifying our Federal bankruptcy laws, this legislation provides reasonable protection in the best interests of the producers, packers, and consumers. Signing this bill will help to ensure that America's hard-working producers and packers who handle their livestock will continue to provide Americans with a dependable supply of meats unequaled anywhere on this globe.

NOTE: The President spoke at 2:05 p.m. at a ceremony in the Cabinet Room at the White House.

As enacted, the bill (H.R. 8410) is Public Law 94-410 (90 Stat. 1249).

775

Statement on Signing Amendments to the Packers and Stockyards Act of 1921. *September 13, 1976*

I AM pleased today to sign into law H.R. 8410, which assures that our livestock producers will receive payment due for livestock sold to meatpackers. This legislation arose out of a demonstrated need for greater protection of livestock producers. I commend the Congress for developing H.R. 8410 to provide this protection which is in the best interest of producers, packers, and consumers.

This bill makes constructive amendments to the Packers and Stockyards Act which will both reassure livestock producers and help provide stability in the marketplace. Producers will be reimbursed for livestock sold to meatpackers covered by the Act which go out of business unexpectedly. Consumers will be able to count on more stable meat supplies at retail stores.

Without this legislation, sales of livestock to meatpacking firms would have continued without adequate assurances of payment—as was the case last year when a major Midwestern meatpacker went bankrupt while many of our cattle producers were left holding over \$20 million of worthless checks. Producers will be protected against this kind of catastrophe in the future.

Although I am opposed to unnecessary interference by government in private business enterprise, Federal action in this instance was necessary and appropriate. The legislation I am signing today accomplishes its legitimate objectives

without excessive restrictions on industry and without the creation of superfluous new government agencies.

I would like to commend the bipartisan efforts of the Congress in rapidly responding to the clear need for the legislation now before me, and I am pleased to see the turnout of Members of Congress, here today, who were instrumental in the passage of this legislation. Your constructive efforts have earned the strong support of all the major farm organizations and livestock producer groups.

The competitive, free enterprise nature of the livestock industry in particular and American agriculture in general has long been the envy of the world. No other nation can match the ability of American farmers and ranchers to provide food for the consumer at a reasonable cost.

H.R. 8410 will help make a good system even better. I take pleasure in signing this bill today.

776

Statement on Signing the Fire Prevention Appropriations Bill.
September 13, 1976

I HAVE today signed into law S. 2862, a bill which authorizes appropriations for the National Fire Prevention and Control Administration and the Fire Research Center.

While I have consistently supported the important work of the National Fire Prevention and Control Administration, I vetoed a similar bill, H.R. 12567, 2 months ago, because it provided for an unacceptable legislative encroachment on the President's constitutional responsibilities over executive branch operations.

Upon returning the earlier bill for congressional reconsideration, I noted it provided that:

"Congress may, by concurrent resolution, 'veto' a plan to commit funds for construction of the National Academy for Fire Prevention and Control. This provision extends to the Congress the power to prohibit specific transactions authorized by law, without changing the law and without following the constitutional process such a change would require. Moreover, it involves the Congress directly in the performance of Executive functions in disregard of the fundamental principle of separation of powers.

"Provisions of this type have been appearing in an increasing number of bills which this Congress has passed or is considering. Most are intended to enhance

the power of the Congress over the detailed execution of the laws at the expense of the President's authority."

At my urging, the Congress has reconsidered and excluded this type of provision from the present bill. I commend the Congress for its more responsible action in deleting the objectionable provision.

Due to the great national loss caused by fires, both in terms of human lives and property, and because of the challenge of improving fire prevention and control, I am happy to sign this bill which permits the important government fire prevention and control effort to continue. With passage of this bill, the National Fire Prevention and Control Administration will now have authority through fiscal year 1978 to carry out its important work of coordinating programs of fire prevention and control. The Fire Research Center can now continue to conduct the needed basic and applied research into the fundamental problems of fire prevention and control.

NOTE: As enacted, S. 2862, approved September 13, 1976, is Public Law 94-411 (90 Stat. 1254).

777

Veto of the Electric and Hybrid Vehicle Research, Development and Demonstration Bill. *September 13, 1976*

To the House of Representatives:

I am returning, without my approval, H.R. 8800, the "Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1976."

This bill would establish a five-year, \$160 million research, development and demonstration project within the Energy Research and Development Administration (ERDA) to promote the development of an electric vehicle that could function as a practical alternative to the gasoline-powered automobile. One of the major objectives of the project would be the development and purchase by the Federal government of some 7,500 demonstration electric vehicles. Such development would cover some of the areas private industry stands ready to pursue.

It is well documented that technological breakthroughs in battery research are necessary before the electric vehicle can become a viable option. It is simply premature and wasteful for the Federal government to engage in a massive demonstration program—such as that intended by the bill—before the required improvements in batteries for such vehicles are developed.

ERDA already has adequate authority under the Energy Reorganization Act of 1974 and the Federal Non-nuclear Energy Research and Development Act of

1974 to conduct an appropriate electric vehicle development program. Under my fiscal year 1977 budget, ERDA will focus on the research areas that inhibit the development of practical electric vehicles, for wide-spread use by the motoring public. Included is an emphasis on advanced battery technology.

Even assuming proper technological advances, the development of a completely new automobile for large-scale production is a monumental task requiring extensive investment of money and years of development. While the Government can play an important role in exploring particular phases of electric vehicle feasibility—especially in the critical area of battery research—it must be recognized that private industry already has substantial experience and interest in the development of practical electric vehicle transportation. I am not prepared to commit the Federal government to this type of a massive spending program which I believe private industry is best able to undertake.

GERALD R. FORD

The White House,
September 13, 1976.

NOTE: On September 16, 1976, the House of Representatives voted to override the President's veto. With the vote in the Senate to override the veto on

September 17, H.R. 8800 was enacted as Public Law 94-413 (90 Stat. 1260).

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Interview on the NBC News' Program "Today." *September 14, 1976*

SPEECH AT UNIVERSITY OF MICHIGAN

TOM BROKAW. [1.] Two weeks ago, here on the "Today" program, we had Jimmy Carter, the Democratic Presidential candidate, in a live interview from his hometown of Plains, Georgia. This morning we will have President Ford live from the White House.

Mr. Ford, good morning, first of all, and thank you for joining us. Also, tomorrow night I know that you begin your campaign by taking it on the road for the first time since Labor Day at the University of Michigan, which is your alma mater.

Briefly, can you describe for us what will be the main theme of your speech tomorrow night?

THE PRESIDENT. Good morning, Tom. I'm looking forward to going to Ann Arbor tomorrow. I haven't been back there a lot, but I have some great memories of that fine campus.

The thrust of the speech in Ann Arbor will be, first, to point out that in the last 2 years we faced some tough problems. We have restored trust in the White House; we have turned the economy around, we are going in the right direction; and, finally, we have achieved peace, and we have the capability and the will to maintain it. But now that we have consolidated the situation here at home and abroad, it's my intention to point out the vision and the road that we will take in the next 4 years under a Ford administration.

We will talk about the domestic problems—jobs, homeownership, better health, better crime control, more recreation, better education—and then we will point out some of the things that we are doing and must do in the area of foreign policy.

MR. BROKAW. That's a pretty full menu, Mr. President. Will there be new, specific proposals from the Ford administration unveiled tomorrow night?

THE PRESIDENT. I think there will be some surprises, but I hesitate to preempt it, Tom, this morning. We want a little interest coming tomorrow in Ann Arbor.

MR. BROKAW. You don't want to hesitate too much. We would be glad to have you share it here on the "Today" show.

THE PRESIDENT. We will try. You better make sure that you have your people out there.

[2.] MR. BROKAW. I think there is a fair chance we will have you covered there, probably.

PRESIDENTIAL RESPONSIBILITIES AND CAMPAIGN SCHEDULE

Mr. President, there has been, as you know, some criticism of your campaign schedule so far. What happens after Ann Arbor? Do you come back to the White House and be very Presidential again, appearing in the Rose Garden signing bills and appearing in the various forms that remind everyone that you are the Chief Executive?

THE PRESIDENT. Tom, I feel that I have a very important obligation to stay in Washington primarily as long as Congress is in session. We have to balance the activity, or lack of activity, in the Congress with the responsibility of being President.

Somebody has to be in the Nation's Capital to make sure that the Congress doesn't go off on the deep end. And of course, the American people expect their President, while he is in office, to primarily carry out Presidential responsibilities. When we do have an opportunity, following the time when Congress adjourns, we certainly will be campaigning. But right now, with Congress in session, it

is vitally important that somebody be here to have a check on their activities.

MR. BROKAW. But Mr. President, I daresay that I recall any number of times when I was a White House correspondent covering you—and you were traveling around the country a good bit in 1974 and again last year—you were telling us that you didn't want to be a hostage to the White House, even when people were taking shots at you in San Francisco, that you felt it was very important that the President get out and meet with the people, go to the local areas and discuss the local problems.

So, isn't this a shift in your attitude? Doesn't it represent, really, a campaign strategy?

THE PRESIDENT. Not necessarily, Tom. The trips that I made in 1975 were primarily on weekends, and, secondly, they were nonpolitical events when they were held during the week. You are correct that I went to 11 White House conferences around the country where we took questions from the audience, where we answered questions that were asked from all segments of our society. But the primary responsibility then was to do it in a nonpolitical way and to carry out those responsibilities in an information-gathering process rather than a campaigning technique.

But once the Congress leaves town, I think you will see an increased activity by me because I will have more time to do so, and the Presidential responsibilities in this office will be less than they are at the present time.

FORD MOTOR COMPANY

[3.] MR. BROKAW. Mr. President, I want to ask you about some issues that are in the news this morning.

There is a good chance, it now appears, that there will be a strike at the Ford Motor Company. Do you anticipate that it will be necessary for the Government to get involved in a mediation effort because, after all, as you well know, this could be critical to economic recovery in this country?

THE PRESIDENT. Until midnight tonight, Tom, the labor-management representatives will be still negotiating on the Ford-UAW [United Auto Workers] differences. I think it would therefore be premature for me—until at least the end of the strike deadline—for me to make any comment one way or another.

I do hope through the normal processes of labor-management negotiations that labor on the one hand and management on the other will settle them, because a strike at the Ford Motor Company could have and would have some unfavorable aspects as far as our economy is concerned.

MR. BROKAW. Mr. President, Cassie Mackin has a question.

THE PRESIDENT. Good morning, Cassie.

SOUTHERN AFRICA

[4.] CATHERINE MACKIN. Good morning, Mr. President. I was wondering about whether you plan any foreign travel at all before the election?

THE PRESIDENT. We don't foresee any at the present time, Cassie, no.

MR. BROKAW. I wonder if it will be necessary—Secretary Kissinger is now en route, of course, to a sensitive mission in Africa, trying to arrange negotiations in South Africa, specifically. What do you see as the next step for the United States there? Will we have to support clandestine activity if Rhodesia continues to resist black nationalist activity and the rise of black nationalism in Rhodesia?

THE PRESIDENT. Tom, there are two problems that we are trying to work on in cooperation with the several parties that are involved: one, Namibia and, two, Rhodesia. We are more optimistic that we can work with the others in getting some progress in the case of Namibia. It is a tough problem, but the prospects for success in that area are better than in the case of Rhodesia.

Now, in either case, the odds are really against us. But we feel that it's of maximum importance, not only from the point of view of ourselves but certainly from the point of view of southern Africa and certainly from the point of view of the world as a whole, that somebody take the lead. And the United States is doing so with Secretary Kissinger's trip there.

It's so tenuous at the present time and the difficulties are so great, that it would be unwise for me to be specific in just what the outcome might be. But despite these odds, I decided that it was in the best interest of all concerned that Secretary Kissinger go on this trip, and I inwardly feel that because we have done the right thing, it will turn out okay.

RONALD REAGAN

[5.] MISS MACKIN. Mr. President, have there been any more conversations with Ronald Reagan? Do you expect him to be out campaigning for you?

THE PRESIDENT. I have talked to Governor Reagan, as I recall, three times. I have people on my staff that are talking to comparable people on his staff. We are well along and in total accord on what he will be doing not only for my candidacy but for the Republican Party. He was down in Mexico for several days'

vacation over the past weekend, but now that he is back, it's my impression, my belief, that he will be campaigning hard for the ticket as well as for the party.

CONGRESSIONAL ADJOURNMENT AND CAMPAIGN SCHEDULE

[6.] MISS MACKIN. On the subject of Congress and your staying in the White House, can one conclude from what you said that if Congress would wrap up its business this week, then you would get out on the campaign trail immediately?

THE PRESIDENT. The odds would be far greater, but as you know, Cassie, the Congress has said it's not going to adjourn at least until October 2. And from my 25-plus years in the Congress, when they set a tentative deadline, they usually go beyond that. So it would be my expectation that Congress will adjourn some time in the week following October 2, and, certainly, by that time I feel that it will be possible for me to take broader opportunities around the country. But until Congress adjourns, I think the President has a pretty important responsibility to stay here and keep his eye on them.

EXPECTED VOTER TURNOUT

[7.] MR. BROKAW. Mr. President, I know that you have often said that the only poll that counts is the one on election day, but at the same time, I know you also read the polls. And you no doubt saw the recent survey that indicated that fully half, perhaps a majority, of the voting-age people in this country may not go to the voting booths at all in November. Isn't that a commentary of sorts on your leadership? After all, you have been in office now for 2 years, and wouldn't one expect you would be able to arouse the voting public more than that?

THE PRESIDENT. Tom, I am disappointed that the polls do indicate that somewhere between 65 and 70 percent (million) of the people who are eligible to vote won't participate. It's hard to understand, because there is a political difference between Governor Carter on the one hand and myself on the other. I believe, in certain things, he has committed himself to a different philosophy. This ought to be a very important election. It is, I hope that between now and November 2, in the next 50-some days, we will be able through the debates, through the differences that will be developed, that we will generate an interest on the part of the American people in this critical election, which means whether Mr. Carter on the one hand or myself on the other will be leading this country in the first 4 years of our third century.

I am going to delineate the difference between Mr. Carter and myself—they

are substantial, both at home and abroad—and thereby increase the political activity on behalf of all Americans.

UNEMPLOYMENT

[8.] MISS MACKIN. Mr. President, unemployment continues to be disturbingly high, and I would think higher than you had hoped it would be as you go into this election. Isn't this something of an embarrassment to you?

THE PRESIDENT. Cassie, I think you have to put that in proper perspective. Yes, the unemployment statistic is too high, but bear in mind that we have 88 million people working today, which is an alltime high in the history of the United States. We have added 4 million people to the payrolls in this country in the last 15 months, and we have added a half a million more people gainfully employed in the last 2 months. So although the unemployment statistic is too high—and we are going to get it down—I take some pride in the fact that we have added this many new jobs in the last year or so.

MR. BROKAW. Mr. President, we always measure the rate of unemployment by the percentage of those out of work, not by the number of those working, so it remains at nearly 8 percent. Do you foresee any Government action that you will have to take between now and the end of the year to get it down below 7 percent?

THE PRESIDENT. I don't foresee any dramatic action. We have had a sound economic course which had a very substantial impact on the rate of inflation, and by keeping the rate of inflation going down, we have added jobs, added people on payrolls. So if we can keep the pressure on inflation and keep inflation going down, I think we will continue to create the atmosphere that means employment will be going up and unemployment going down.

PUBLIC WORKS BILL

[9.] MR. BROKAW. Very briefly, Mr. President, would you veto that \$3½ billion public works bill if it comes back to your desk?

THE PRESIDENT. I haven't seen the final figures on it, so I think it's premature to make any comment, Tom.

MR. BROKAW. Mr. President, thank you very much for joining us here on "Today" this morning. We will look forward to covering your campaign in the coming weeks.

THE PRESIDENT. I have enjoyed it, Tom. Thank you very much.

NOTE: The interview began at 8:10 a.m. and was broadcast live on television. The President spoke from the Oval Office in the White House, and Mr.

Brokaw and Miss Mackin conducted the interview from their studio in New York.

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**Special Message to the Congress Reporting on a Budget Deferral.
*September 14, 1976***

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report a net increase of \$11.1 million in the amount previously deferred for the Social Security Administration's Limitation on construction account.

The details of the revised deferral are contained in the attached report.

GERALD R. FORD

The White House,
September 14, 1976.

NOTE: The attachment detailing the deferral is printed in the Federal Register of September 20, 1976 (41 FR 40698).

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**Letter to the Chairman of the United States International Trade
Commission on Withdrawing the Eligibility of Certain Products
for Duty-Free Treatment Under the Generalized System of
Preferences. *September 14, 1976***

Dear Mr. Chairman:

In a recent executive branch review of the operation of the Generalized System of Preferences (GSP) the Trade Policy Staff Committee (TPSC) considered several petitions from domestic producers to remove products from the list of articles eligible for duty-free treatment under the GSP. It was necessary to postpone a decision on some of the petitions, however, because of the absence of data on the amount of imports and domestic production or because of inadequate information on recent developments in the industry. To assist the Administration in assembling the needed information, I hereby request the Commission, pursuant to section 332(g) of the Tariff Act of 1930 to conduct investigations and report the results, as follows:

1. With respect to the petitions for the withdrawal of GSP benefits for permanent-magnet direct current motors classifiable in item numbers 682.25 and 682.30 of the Tariff Schedules of the United States (TPSC GSP case No. 76-34), an investigation and report (a) on the economic effect which the designation of

these motors as articles eligible for duty-free treatment under the GSP has had on domestic producers of like or directly competitive motors; (b) the probable economic effect which withdrawal of GSP benefits would have on: (i) The domestic producers; (ii) the prospective establishment of new or additional domestic production; and (iii) domestic producers of products that utilize or incorporate such motors; and (c) which countries, if any, would be eliminated from GSP benefits by virtue of the "competitive need" provisions of section 504 (c) of the Trade Act of 1974 if items 682.25 and 682.30 were each subdivided into three new items, as follows: (i) AC motors; (ii) DC motors; and (iii) other motors.

2. With respect to cast iron household stoves, cast iron parts of household stoves, and cast iron fireplace grates classifiable in item 653.50 of the Tariff Schedules of the United States (TPSC GSP case No. 76-25), an investigation and report on the conditions of competition between imported and domestically produced articles, with particular attention to the economic effect which the designation of these articles as eligible for duty-free treatment under the GSP has had, or is likely to have, on domestic producers. The report should include information on the volume and trend of U.S. imports and domestic production in recent years, as well as the factors of competition affecting these articles.

3. With respect to leather wearing apparel classifiable in item 791.75 of the Tariff Schedules of the United States (TPSC GSP case No. 76-2), an investigation and report on the current employment and production conditions in the domestic industry.

I further request that the Commission make every effort to provide the reports as soon as possible but not later than 120 days of the receipt of this letter with respect to reports 1 and 2 and not later than November 10, 1976 with respect to report 3.

Sincerely,

GERALD R. FORD

[The Honorable Will E. Leonard, Jr., Chairman, United States International Trade Commission, Washington, D.C. 20436]

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Statement on Signing the National Emergencies Act.*September 14, 1976*

I AM today signing H.R. 3884, the National Emergencies Act.

The broad purpose of this bill is to reform the existing maze of statutes which has resulted from the states of emergency under which the country has been operating for over 40 years, and to provide appropriate procedures related to future declarations of national emergencies.

Accordingly, H.R. 3884 would generally terminate, 2 years after its enactment, all powers and authorities conferred on the President, any other government officer or employee, or any executive agency, which result because of the existence of any declaration of national emergency now in force. The 2-year delay would provide time to enact permanent law, where needed, to replace the authorities that are to terminate. The bill would also authorize the President to proclaim the existence of future national emergencies, with provision for congressional review.

I support the purposes of the enrolled bill. One of its provisions, however, would purport to permit the Congress to terminate a national emergency by a concurrent resolution. This feature of the bill is unconstitutional.

As recently as August 13, 1976, in vetoing H.R. 12944, a bill "To extend the Federal Insecticide, Fungicide, and Rodenticide Act," I reiterated my position that provisions for disapproval of regulations and other action by concurrent resolution, or by resolutions of one House, are clearly unconstitutional. Such provisions are contrary to the general constitutional principle of separation of powers whereby Congress enacts laws but the President and the agencies of government execute them. In addition, they violate Article I, section 7 of the United States Constitution which requires that resolutions having the force of law be sent to the President for his signature or veto.

In recent years, the Congress has increasingly given consideration to these kinds of legislative encroachment measures. Accordingly, the Attorney General, at my direction, has become a party plaintiff in a lawsuit challenging the constitutionality of a comparable provision in the Federal Election Campaign Act. In the event that the court strikes down all legislative encroachment-type provisions now in law, I consider section 202(a)(1) of H.R. 3884 as separable

from the rest of the bill, and would therefore expect the other provisions relating to emergency powers to remain in force.

NOTE: As enacted, H.R. 3884, approved September 14, 1976, is Pubic Law 94-412 (90 Stat. 1255).

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Statement Following Senate Action on a Bill To Extend the General Revenue Sharing Program. *September 14, 1976*

I AM extremely pleased that the Senate has today overwhelmingly adopted legislation to extend the General Revenue Sharing program. The Senate bill closely follows my legislative recommendations for renewal of this important domestic program.

Continuation of this program, which provides substantial assistance to State and local governments, remains, however, one of the major unfinished items of business on the congressional agenda.

I urge the Democratic leadership in the House to take responsible and responsive action to convene an immediate conference on this bill. They have sought to portray themselves as friends of our Nation's cities. However, their record on this legislation stands in marked contrast to their rhetoric. In delaying action on this bill for over 1 year, they have jeopardized the fiscal and economic stability of our cities.

I hope the Congress will demonstrate its commitment by moving swiftly and favorably in getting responsible legislation to my desk for signature before they adjourn. To do less would only serve to aggravate the fiscal problems of State and local governments and undermine economic recovery.

NOTE: The bill (H.R. 11367) passed the House on September 30, 1976, and was signed by the President on October 13. As enacted, H.R. 11367 is Public Law 94-488 (90 Stat. 2341).

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Remarks to the University of Michigan Football Team in Ann Arbor, Michigan. *September 15, 1976*

FIRST OF all, I thank you very much for permitting me to join all of this great ball team for a meal before I have a little engagement down the road here.

In those stories that I was a great alltime center, I found this—the longer you get away from the reality, the bigger those stories get. [*Laughter*] So, make all

your fame now. And I can only say that they get better, because the longer you are away from school, the fewer there are of people to tell the truth about what happened. [*Laughter*]

So, I am just honored to come back here. Coming to the campus brings back some great memories. I can recall vividly my freshman year. We couldn't play on the varsity in the freshman year. And I ate a few meals here in the Union, and I really got to love and feel very strongly about this university. I think it has contributed very significantly to whatever success I've had.

The friends I made and the opportunities educationally and the whole atmosphere here was a great factor in the incentive and the drive to do as well as one could. I know that with the great record that you have—and I can say as a Monday morning or grandstand quarterback—I sit up there in the stands and watch on television—and I am very proud of the great record that you have and the way you play football. You play to win, and that's the only way I know to move ahead, whether you are on the gridiron or whether you are in classrooms or whether you are in politics or anything else.

So, good luck, beat Stanford, and you've got nine more ball games before you go to the Rose Bowl.

NOTE: The President spoke at 6:23 p.m. in the Michigan Union, where he joined the members of the football team and athletic staff for dinner.

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Remarks at the University of Michigan in Ann Arbor. *September 15, 1976*

President Flemming, Senator Griffin, Congressman Esch, Congressman Vander Jagt, Michigan students, faculty, and guests:

President Flemming, I am deeply grateful for the opportunity to be on this great campus. I am proud of you as the president of the University of Michigan, and I am equally proud of the great record of my alma mater.

I am deeply indebted to Senator Bob Griffin, an outstanding United States Senator who has been my close personal friend and loyal supporter from the very beginning of my political career.

And I am delighted to have on the platform with me your effective and able Congressman, Marv Esch, who will be Michigan's next United States Senator.

It's great to be back at the University of Michigan, the home of the number one Wolverines. After what you did to Wisconsin, I will tell you one thing—

I would rather run against Jimmy Carter than Harlan Huckleby¹ any day of the week.

I am reminded of another Michigan football game that I attended in 1948. I had just won my first Republican nomination. Then, as now, I faced a tough challenge. My mind wasn't on politics that Saturday afternoon. It wasn't even on football. I was on my honeymoon. Betty and I were married the day before, and tonight I would like to introduce you to my bride, Betty Ford.

MRS. FORD. Well, dear, I see we are back here in Michigan again, but this time not on our honeymoon.

THE PRESIDENT. That was some years ago, but as has been indicated, Michigan and Ford have been winners ever since.

I have come home to Michigan to share with you my views of America in 1976 and my hopes for America in the next 4 years, and beyond.

During the last 2 years, in the aftermath of a difficult war and a painful ordeal of economic adversity and political crisis, we reached a critical turning point in America's history.

Throughout most of your lives, America has faced turmoil. Some of our most beloved leaders have been assassinated. There was a war we could not either win or end. There were destructive riots on our streets and on our campuses. We suffered runaway inflation and the worst recession in 40 years. We were betrayed by corruption at the highest levels of our Government.

Fortunately, the skies are far brighter. My administration has restored trust in the White House. My administration has turned the economy around. We are in the midst of a growing prosperity. We have peace and the capability and will to keep it.

Through all of this, we found in ourselves a basic strength which has proven mightier than our armaments, more precious than our great store of national wealth, and as enduring as our Constitution.

As I said on taking the oath of office as President 2 years ago, "Our long national nightmare is over." In the last 2 years, the United States of America has made an incredible comeback, and we are not through yet.

In 200 years as a free people, much has changed in our Nation, but America's basic goals remain the same:

—Americans want a job with a good future.

—Americans want homes and decent neighborhoods and schools where our children can get a quality education.

¹ Running back for the University of Michigan football team.

—Americans want physical security, safety against war and crime, safety against pollution in the water we drink and in the air we breathe.

—We want medical and hospital care when we are sick at costs that will not wipe out our savings.

—We want the time and opportunity to enlarge our experience through recreation and travel.

We Americans are proud people. We cherish our inalienable rights: the right to speak our minds; the right to choose the men and women who enact and enforce our laws; the right to stand equal before the law regardless of sex, age, race, or religion; the right of a farmer, businessman or worker, and consumer to bargain freely in the economic marketplace; the right to worship as we choose. It all adds up to the great American dream.

These are the goals which every politician and every citizen has for America. They are not some mystic vision of the future. They are the continuing agenda for action.

And, so, the question in this campaign of 1976 is not who has the better vision of America. The question is: Who will act to make that vision a reality?

The American people are ready for the truth, simply spoken, about what government can do for them and what it cannot and what it should not do. They will demand performance, not promises; specifics, not smiles.

There are some in this political year who claim that more government, more spending, more taxes, and more control on our lives will solve our problems. More government is not the solution, better government is. It is time we thought of new ways to make government a capable servant and not a meddling master.

Let's get down to cases; Let's talk about jobs.

Today, 88 million Americans are gainfully employed—more than ever before in American history. But that is not good enough. My immediate goal is 2½ million new jobs every year with emphasis on youth, especially the minorities. And I don't mean demeaning, dead end jobs paid for out of the Federal treasury, but permanent jobs with a future generated by the demands of a healthy economy.

Can we do it? We have done it. We proved once and for all that you can cut inflation in half and add 4 million new jobs in just 17 months. We did it with tax cuts that allowed Americans to spend more of their own money. We did it with tax incentives that encouraged job production. We did it by letting our free economic system do what it does better than any other system in the world—produce.

But I won't be satisfied until every American who wants a job can find a job.

I am particularly concerned that there are too many young Americans who cannot find a good job or get the training and the experience they need to find a job.

Americans have long since recognized the importance of assuring that every high school graduate who is willing, able, and qualified be able to go to college. We have done so through grants, loans, and scholarships. I believe we can apply the same principle to create a program for young people who choose not to go to college but want a job at which they can learn a trade, a craft, or practical business skills. It can be done. Let's put America—all of America—to work.

Once a good job is secured, it's an American tradition to put some of those earnings toward a family home, but nowadays—with interest rates too high, down payments too high, and even monthly payments too high—home ownership is not within the reach of many Americans, particularly young Americans beginning a career or marriage. My goal is homeownership for every American family that wants to own a home and is willing to work for and save for it.

Here is how I will meet that goal. First, I will continue to pursue economic policies, including tight control of unnecessary Federal spending which will hold inflation down, reduce interest rates, cut your taxes, increasing your purchasing power, and making more funds available for home mortgages.

Second, it is time we did something more about the down payment requirements, which so many people can't afford. I will recommend changes in FHA loans to reduce down payments on lower- and middle-priced homes by up to 50 percent.

Third, I will direct the Department of Housing and Urban Development to accelerate implementation of a new Federal guarantee program to lower monthly payments in the early years of homeownership and gradually increase them as the family income goes up.

A good job, a good home—now let's talk about the good health we must have to appreciate both.

My goal is an America where health care is not only the best in the world but is both accessible and affordable. But raising Federal taxes by \$70 billion a year for a Government-dominated health insurance program is not the way to do it. That path leads to more bureaucracy, more fraud, more taxes, and second-class medical care.

That is what I am against. Here is what I am for. As our first priority, I have recommended protection against the costs of a catastrophic or prolonged illness for the aged and the disabled—ensuring that never again will they have to pay more than \$750 a year for medical care. People should not have to go broke to get well.

Next, I proposed to the Congress last spring a major reform in Federal health programs. We should combine 16 overlapping and confused Federal health programs, including the scandal-ridden Medicaid program, into one \$10 billion program that distributes the Federal funds more equitably among the States and ensures that those who need these services get first-class care. It's sad but true, America is still awaiting action by the Congress on this urgently needed legislation.

Now, let's turn to an area of special concern to this audience—education. One of the most urgent problems is to create a climate in every classroom where teachers can teach and students can learn. Quality education for every young American is my administration's goal. Major reforms are necessary in the relationship between the National, State, and local units of government, so that teachers can spend their time teaching instead of filling out Federal forms. Federal aid is necessary, but Federal aggravation must stop.

Nine months ago, I proposed to the Congress that we replace 24 paper shuffling educational bureaucracies with a single Federal program which would provide \$3,300 million in direct aid to elementary and secondary schools throughout this country. The Congress has not acted.

Once again this Congress has shown itself to be sitting dead in the water and, I might add, addicted to the status quo. The American people deserve better representation than that, and they will demand it on November 2.

We must ensure that low-income students have access to higher education. We must also find ways through the tax system to ease the burden on families who choose to send their children to nonpublic schools and to help families cope with the expenses of a college education. In this administration the education need of America's middle-income families will neither be forgotten or forsaken. Education is the key to a better life.

The prevention of crime is essential to making our lives secure. The Constitution demands that we ensure domestic tranquility, and that is what I called for in my crime message to the Congress about a year ago. Most crimes are committed by hardened, career criminals who know no other life than the life of crime. The place for those people is not on our streets but in the jails. The rights of the law-abiding society, the rights of the innocent victims of crime must be fully protected.

And finally, we must give Americans the chance to enjoy America. I have outlined a \$1,500 million program to expand and to improve our national park system over the next 10 years. This means more national parks, more recreation areas, more wildlife sanctuaries, more urban parks and historic sites. Let's

make this America's Bicentennial birthday gift to all of our future generations.

Today, America enjoys the most precious gift of all. We are at peace. No Americans are in combat anywhere on the Earth and none are being drafted, and I will keep it that way.

We will be as strong as we need to be to keep the peace, to deter aggression, and to protect our national security. But if our foreign policy is to have public support, it must represent the moral values of the American people. What is more moral than peace with freedom and security in the United States?

As the leader of the free world, America has a special responsibility to explore new paths to peace for all mankind. It is a responsibility we have not shirked. We have been a force for peace in the Middle East, not only in promoting new agreements, but in building a structure for a more lasting peace.

We have worked for peace with the Soviet Union, not only in resolving our many conflicts but in building a world where nuclear armaments are brought under control.

We are working for peace in Europe where the armies of two major coalitions confront each other.

We will continue to build our relationship with the People's Republic of China, which contributes importantly to peace and stability throughout the world.

Now, in the face of a new challenge, we are on a mission for peace in southern Africa. This is the first administration in America's history to develop a comprehensive, affirmative African policy. This policy has won respect and trust on that troubled continent. At my direction, Secretary Kissinger is now engaged in an intensive effort to help all the parties, black and white, involved in the mounting crisis in southern Africa, to find a peaceful and just solution to their many and complex differences. The African parties in the very grave and complicated problems of Namibia and Rhodesia have encouraged us to help them in the search for peace and justice. We are also backed in our efforts by our European allies with traditional bonds to the African Continent. In particular, we are working in close collaboration with the United Kingdom which has historical and legal responsibility in Rhodesia.

Success will depend fundamentally on the cooperation of the parties directly concerned. We will not and we cannot impose solutions, but will depend upon the good will and determined efforts of the African parties themselves to achieve negotiated settlements.

We seek no special advantage for ourselves in these negotiations. We share with the people of Africa these fundamental objectives: a peaceful outcome; a

future of majority rule and minority rights; a prospect of widening human dignity and economic progress; and a unified and independent Africa, free from outside intervention or threat. The tortuous path that leads to these goals is not an easy one. The risks are great. But America's interests and America's moral purpose summon our efforts. Despite the rigors of a great national election, I have persisted in carrying out this new policy towards Africa—not because it is expedient—but because it is right.

I pledge to you that under my administration, American foreign policy will serve the interests of our country and our people; it will be true to our great heritage of the past, fulfill our purposes in the present, and contribute to our best vision of the future.

It's not enough for anyone to say "trust me." Trust must be earned. Trust is not having to guess what a candidate means. Trust is leveling with the people before the election about what you are going to do after the election. Trust is not being all things to all people, but being the same thing to all people. Trust is not cleverly shading words so that each separate audience can hear what it wants to hear, but saying plainly and simply what you mean—and meaning what you say.

I am proud of the maturity of the American people who demand more honesty, truthfulness, and candor of their elected representatives. The American people, particularly our young people, cannot be expected to take pride—or even participate—in a system of government that is defiled and dishonored, whether in the White House or in the halls of the Congress. Personal integrity is not too much to ask of public servants. We should accept nothing less.

As we enter the last 7 weeks of this national election, a new poll indicates that as many as 65 million Americans will not vote in November. Some people have said that they are not excited about any of this year's candidates. Let them be excited about America. Let them be excited about their own capacity to grow and change, about our Nation's capacity to grow and change, and even about the evolution, with their help, of the candidate of their choice.

In this year of 1976, I stand before you as the last President of America's first 200 years. But with your help, I also intend to be the first President of America's new generation of freedom. Working together we can build an America that does not merely celebrate history, but writes it; that offers limited government and unlimited opportunity; that concerns itself with the quality of life; that proves individual liberty is still the key to mutual achievement and national progress.

And when the history of this great era is written, future generations will look

back at America in 1976 and say, yes, they were 200 years old but they had really only just begun.

Thank you very much.

NOTE: The President spoke at 7:50 p.m. in Crisler Arena. He was introduced by Robben Fleming, president of the university.

785

Message to the Congress Transmitting the United States-Polish International Fishery Agreement. *September 16, 1976*

To the Congress of the United States:

In accordance with The Fishery Conservation and Management Act of 1976 (P.L. 94-265; 16 U.S.C. 1801), I transmit herewith a governing international fishery agreement between the United States and the Polish People's Republic, signed at Warsaw on August 2, 1976.

This Agreement is significant because it is the first to be negotiated in accordance with that legislation. I recommend the Congress give favorable consideration to this Agreement at an early date. I further recommend that, in the event 60 calendar days of continuous session as required by the legislation are not available before March 1, 1977, the Congress consider issuance of a joint resolution in order to bring this Agreement into force by that date.

GERALD R. FORD

The White House,
September 16, 1976.

786

Remarks Following a Meeting With Southern Republican Leaders. *September 16, 1976*

I HAVE some very outstanding leaders of the Republican Party from a very important area of the country. As you will recall, when I was in Vail I said we were going to have a national campaign. Some of you doubted it. I want to repeat it, and I will give you some evidence of what we are going to do to show the good faith of that comment.

On Saturday, September 25, we are going to fly from here to Louisiana, and

we will board a Mississippi river boat, the *Natchez*, and we will go on a river-boat trip from that point in Louisiana down to New Orleans, spend the night in New Orleans. And on Sunday, the 26th, we will drive from New Orleans through Mississippi, through Alabama, and we will get to Florida Sunday night, the 26th. And we will stay overnight in Florida that night, and on the following Monday morning, I will speak to the National Association of Police Chiefs, in Miami, I believe.

I think this is the best evidence that what I said, I meant—that we would have a national campaign; we were going to seek full support from the States in the South. And here, alongside of me, are the Republican State chairmen from those Southern States.

We have with us Paula Unruh, the State chairman of the State of Oklahoma. But before I leave—and Paula and the others will answer questions—let me just say we will see you on the boat.

NOTE: The President spoke at 4:29 p.m. to reporters assembled in the Briefing Room at the White House.

Following the President's remarks, a news briefing on the meeting was held for reporters by

Charles Pickering, Mississippi State Republican chairman, Paula Unruh, Oklahoma State Republican chairman, and Harry Dent, adviser for Southern politics, President Ford Committee.

787

Remarks at the Bicentennial Dinner of the Italian-American Foundation. *September 16, 1976*

Thank you very, very much, Jenö. Senator John Pastore, Congressman Pete Rodino, Congressman Dominick Daniels, Judge Sirica, reverend clergy, distinguished platform guests, ladies and gentlemen:

First, let me thank the members of the Italian-American Foundation and your national chairman, Jenö Paulucci, for inviting me to be a part of this very special evening. In many ways, my good friend Jenö Paulucci symbolizes the magic of America. His first great success was a company called Chun King. What could be more American than a business built on a good Italian recipe for chop suey? [Laughter]

This Bicentennial dinner pays tribute to the extraordinary contribution Italian Americans have made to our country. The men you are honoring tonight are the distinguished offspring of a culture that was once transplanted, but is now deeply rooted in American soil to the benefit of all Americans.

Long before we were a nation, Italians began making new lives for themselves in America as teachers, merchants, craftsmen, artists, musicians, and writers.

From our first honorary Italian-American, Christopher Columbus, to contemporary figures as diverse as Enrico Fermi¹ and Vince Lombardi,² the Italian fiber is woven deeply into the fabric of the United States of America.

Italian Americans have made their marks in many different areas, but they have all shared at least one common quality, uncommon pride—pride in their country, pride in themselves, pride in the roles they played in making America what it is. In every century and in every field of endeavor, Italian-Americans have given their country their energy, their talents, and their devotion and their blood.

When the earthquake struck Italy earlier this year, the American response was swift and bipartisan. Just this morning, Jenò Paulucci and Ambassador John Volpe³ reported to me on the way our \$25 million of disaster relief assistance is being spent to relieve suffering in the country which has given America so much. I congratulate Jenò for his observations and recommendations, which included not only his views as to how our program was being administered but his very constructive recommendation that you needed something more than government to just do the job; his proposal that Italian industry contribute in this situation—as it has through his leadership in Minnesota in alleviating some of the problems and making some progress in that State.

I hope and trust, Jenò, that the proper authorities in Italy will follow your recommendations, and not only have the Italian Government and our aid through our Government agencies do the job but do the same with the help and assistance of the private sector in Italy, itself.

I remember also, if I might, something Vice President Rockefeller told me after he visited the earthquake site at my request in May. He was struck by the fact that in the midst of destruction and personal tragedy, one of the first concerns of the people was to protect their monuments, their churches, and their cultural heritage. There is a lesson in that for the United States, for we also risk seeing some of our cultural heritage destroyed, not by a sudden shock of an earthquake, but by a gradual erosion.

We must be aware of the growing danger of conformity of American thought and American behavior. We need to encourage and protect individuality. Our national wealth of culture, ethnic and religious traditions, is a valuable counterbalance to the overwhelming sameness and subordination of

¹ Winner of the 1938 Nobel Prize in physics.

² Head coach of the Green Bay Packers 1959–67 and Washington Redskins 1969, professional football teams.

³ United States Ambassador to Italy.

totalitarian societies. And let me add, if I might, a comment or two on that subject.

Italy and the United States share a firm dedication to democratic government and the principles of freedom and liberty. We, in America, value the role of Italy in the world itself, Italy's contribution to the Atlantic Alliance, and Italy's contribution to a stronger and more cohesive Europe, working with the United States.

We have been hearing a lot recently about the new character of some Communist parties in Western Europe, that they believe in democratic, multiparty government, that they are independent, nationalist parties with no loyalties or affiliations beyond national borders.

Lest we succumb to this beguiling message, I remind you that we were hearing these same reassuring messages from the heads of Communist parties in Eastern Europe right after World War II. We all know what happened when these parties actually came into power in the late 1940's. It's a history lesson we should not forget.

The history of our own country teaches us another important lesson—the value of diversity as well as unity among our people. At a meeting in the White House last month, Italian-American leaders spoke to me of our need to encourage cultural pluralism without diminishing Americanism. I agree completely.

Our neighborhoods are the place to start. On the first of this year, I had the privilege of signing into law a bill passed by the Congress called the Mortgage Disclosure Act, to prevent redlining.⁴ Last May, I met with a group of ethnic leaders to see what more could be done. As a result of that meeting, I created the President's Committee on Urban Development and Neighborhood Revitalization. I charged that Committee with developing a sound Federal policy to preserve our neighborhoods and to prevent urban decay.

Our policy will be based upon local initiative and local control. I was very pleased and very encouraged the other day when I read in the New York Times about major new efforts, including proposed new zoning rules to revitalize New York City's Little Italy. As I read from that article, the City Planning Commission and a neighborhood group spent some 2 years coming up with this plan. I wish them every success. I hope other groups and other communities will follow their example.

But let me say with emphasis and reemphasis: I am committed to maintaining the strength and vitality and the unique contributions of America's communities. In my search for Americans to help us with this very major task,

⁴ See Item 3.

now and in the next 4 years, I will continue to look for Americans of high caliber from all cultural backgrounds. I will continue to look for Americans with the talents of John Pastore, Peter Rodino, Dominick Daniels, and Judge John Sirica.

May I say to all four of them: It has been a very special pleasure for me to join with you in honoring these outstanding Americans.

As enjoyable as this evening is for all of us present, we might take just a moment to remember certain people who can only be here in spirit, people who would have gotten an even bigger thrill on this occasion than you or me—the parents of John Sirica, Dominick Daniels, John Pastore, and Peter Rodino. When you stop for a minute and think about those parents, about the sacrifice they made, about the hardships they endured, about the dreams they had for their children, and then you see those dreams come true in the careers of these fine men, that's when you know exactly what America is all about. And you know if these parents could only be here with us tonight, they would be very proud, and deservedly proud, indeed.

By your contributions, and those of all Italian-Americans, to our arts and sciences and government, to business life and family life, America will continue to grow, to prosper, and become an even better place in which to live.

Thank you very, very much.

NOTE: The President spoke at 8 p.m. in the International Ballroom at the Washington Hilton Hotel. In his opening remarks, he referred to Judge

John J. Sirica, U.S. District Judge for the District of Columbia.

788

Remarks at a Reception Celebrating National Hispanic Heritage Week. *September 16, 1976*

Bishop Flores, Monsignor Murphy, ladies and gentlemen:

It's a very high honor and a very great privilege for me to come to the National Shrine of the Immaculate Conception and to join with all of you in the celebration of the National Hispanic Heritage Week.¹ It has been a wonderful week for a wonderful purpose.

As we look back over our 200 years, it is tremendous to see what wonderful contributions have been made by all those who came to the shores of the United States.

¹ For the President's remarks on signing Proclamation 4459, designating September 12–19 as National Hispanic Heritage Week, see Item 768.

There is an old story that was told to me by one of my Sunday school teachers who said that the history of the United States was the contribution of people from many cultures and many lands. Then he said, "There is a story that is told about the Bible, that the beauty of Joseph's coat is its many colors, and the strength of America comes from those who came from so many lands and so many cultures."

And of course the contribution made by those of Hispanic heritage is very significant. I know, of course, that before we got our independence those with Hispanic origins made a tremendous contribution to our society. History tells us that those with Hispanic origins fought in our revolution with distinction and honor. And of course in the last 200 years the pages of history are filled with what has been done by those with those backgrounds.

Whether it's in the arts or sciences, whether it is in industry or education, those with Hispanic origins have contributed tremendously to what we think is the greatest land in the history of mankind.

We are so blessed in America because, yes, of the material things we have, but really, more significantly than that is the spiritual dedication and beliefs that are so ingrained in all of us—215 million of us.

It has been my opportunity to travel in many lands, but it is always wonderful to come home to America because we see in America all the good that comes from other countries. And I can't help but repeat with emphasis, to reiterate on behalf of all of us, the tremendous benefits we have had come to us because of the contributions of those of you with Hispanic origins.

You are wonderful people. You are like all of us—proud of our country, proud of your accomplishments. As we look forward to the next 100 years—and we are just over the threshold—we have had 200 superb years, but our vision of America ought to be to improve. And we can improve that heritage and that progress and those accomplishments by what you have done and what we all must do.

I thank you for the opportunity of being with you tonight. I thank you, Bishop Flores, to come from San Antonio for this wonderful occasion and you, Monsignor Murphy, for this inspirational Shrine. I am just so pleased to see you and to be with you all.

Thank you very, very much.

NOTE: The President spoke at 8:20 p.m. at the National Shrine of the Immaculate Conception, located on the grounds of the Catholic University of America. In his opening remarks, he referred to

The Most Reverend Patrick C. Flores, bishop of San Antonio, and the Reverend Monsignor John J. Murphy, director of the national shrine.

789

Letter to Department Heads Directing Study of Petroleum Resources in Alaska's Naval Petroleum Reserve No. 4.
September 17, 1976

[Dated September 16, 1976. Released September 17, 1976]

ON APRIL 5, 1976, I signed into law the Naval Petroleum Reserves Production Act of 1976 (Public Law 94-258).

Section 105(b) of that Act requires that I direct appropriate Executive departments and agencies to conduct a study, in consultation with representatives of the State of Alaska, to determine the best overall procedures to be used in the development, production, transportation, and distribution of petroleum resources in the Naval Petroleum Reserve Numbered 4 in Alaska. It also requires that I make semiannual progress reports on this study to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives, and provides that the completed study, together with recommended procedures and proposed legislation, be submitted to those committees not later than January 1, 1980.

The Department of the Interior, with the active assistance of the Department of the Navy and the Federal Energy Administration, shall conduct the study required by Section 105(b) of that Act and, on a timely basis, shall prepare the required reports, recommend procedures, and prepare proposed legislation for my consideration and subsequent transmission to the designated committees of the Congress.

I urge you to complete the study and to develop recommendations and prepare proposed legislation for my review at the earliest practicable date, consistent with the intent of Congress and with my objective of securing the wise use of these resources for the national welfare.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Thomas S. Kleppe, Secretary of the Interior, the Honorable Frank G. Zarb, Admin-

istrator of the Federal Energy Administration, and the Honorable J. William Middendorf II, Secretary of the Navy.

790

**Remarks at the Annual Leadership Seminar of the
United States Jaycees. September 17, 1976**

I AM delighted to welcome all of you in this leadership seminar to the Rose Garden here at the White House. I hope and trust you have had a good experience with the various people in the executive branch of the Government. I am sure they have been helpful in laying out some of the programs and problems we face, but I would like to share some good news with you today.

The Department of Commerce just announced that for the month of August, we have had a very substantial increase in housing starts. It also indicates that there has been a very sharp rebound in multifamily starts, which is vitally important if we are going to get the housing and construction industries moving as they should.

Secondly, we are extremely encouraged by the continuous increase in new building permits which certainly foreshadows that we will have an even better housing market in the months ahead.

I think I can take some satisfaction from the fact that this good economic news comes from what we've done, and done successfully, is to continue to win the battle against inflation. And that, of course, means that interest rates are down, that money is available in the mortgage market. It also reflects, I think, the fact that there is a growing optimism in America as far as a healthy economy is concerned. So that kind of good news is nice to be able to announce to a group of leaders from all parts of the country—individuals who have a great stake in the future of this country.

As it was indicated, I used to belong, a few years ago, to the Jaycees. I had some wonderful experiences and was fortunate enough to have received, back in 1949—that's a long time ago—the honor that goes to 10 young men in this country each and every year. And I am proud of it.

But let me speak, if I might, about leadership. When I was an active Jaycee in Grand Rapids, Michigan, we undertook a great many civic projects and community programs. That is a hallmark of the Jaycees throughout this country, has been, will continue to be. And the things that I learned in my 3 or 4 years as an active Jaycee in leadership gave me the competence and gave me the certainty and the assurance that I could handle some of those problems of leadership.

And now, I would like to talk about what we have tried to do in leadership down here at the White House. And the background I got as a Jaycee has been

extremely helpful and beneficial. Let me just tick off a few things that we have done that I think reflects sound leadership as the President of the United States.

First, we submitted to the Congress, in January of this year, the largest military budget in the history of the United States in order to maintain our national security. For the last 10 years, under several Presidents, the Congress has traditionally slashed the defense budget by anywhere from \$3 billion to \$8 billion a year, and over a 10-year period, the accumulated total was \$50 billion.

I am glad to report to you, because we showed the kind of leadership that I think is needed and necessary, the Congress, this year, has made very minor reductions in the appropriations for the Army, Navy, Air Force, and Marine Corps. The net result is we have achieved real success in getting the Congress to recognize that when a President submits a military budget, he means it, and it is necessary and essential for the national security of this country. And we can say with pride, "We did it."

And if I might, I would like to add another thing. Fortunately, this country is at peace. We are not drafting any young men today to participate in the Army, Navy, Air Force, or Marine Corps. We have an all-volunteer military force, and I am proud of it. But with this kind of leadership in the military, and with, I think, our military strength overall and our diplomatic skill, we not only have the peace but the capability to keep it.

And let me add one other comment, if I might. What is more moral in foreign policy than to have peace with freedom and security.

Finally, I have nothing but great memories of my experience as a Jaycee. I think this 16th seminar that you are having here is the kind of organizational programming that is essential for Jaycees throughout the country to see what your Government is doing, and why.

And probably within a relatively few years, one of you, or maybe more than one of you, will have an opportunity to participate either in the judicial branch or the legislative branch or the executive branch. It's a great experience, a wonderful challenge, and I urge each and every one of you to participate in some way, in a meaningful way, in our Government at the Federal level.

One final comment. Rumor tells me that you had a poll among all of you. [*Laughter*] I just hope that the poll, I understand, which reflects your views, will be indicative of what will happen November 2.

Thank you very much.

NOTE: The President spoke at 2:35 p.m. in the Rose Garden at the White House.

791

Remarks at a Reception for the National Federation of Republican Women. September 17, 1976

Thank you very, very much, Betty, Pat, and all the members of the federation:

We do welcome you to the White House and to the State Dining Room. We are delighted to have you here, and I, at the outset, would like to compliment Pat—where did she go? [*Laughter*] Right here.

She's not only a great president of your organization but I am honored to have here on the steering committee of the President Ford Committee. And thank you, Pat, for taking on an extra burden and responsibility. Her input to that organization will be very significant in how we lay out our campaign organization, our plans, our strategy. And thank you very, very much, Pat.

I was looking at the statistics that were given to me as to the size of this organization—238,000, as I recollect. Let's use a little mathematics here to show the impact of that organization.

Supposing each of you made it a personal mission to get 100 people educated, as Betty says, as she indicates. You get them to the polls. Isn't that a figure of 23 million plus? That's what we need as a starter on this campaign. I think the figures show that the person who wins will get double that, but if this organization in every one of the 50 States gives us a base from which we can operate—say 25 million Republican votes—we are well on the road to victory. I think this ought to be your goal, your aim, your objective. And, therefore, as I talked to all of the leaders of the federation in the 50 States, I hope you will go back to your respective hometowns, your home State, and make this the aim that you are shooting for on November 2.

As I said before, and have repeated since, we are going to have a national campaign. I have had the privilege of meeting people from virtually every State. We are going to make a campaign in every State. That does not mean I am going to get to every State, but we will have either myself or Bob Dole or some outstanding advocates who will get to every State. It will be an indication that the Ford-Dole ticket wants the full support and victory in every State. I think it can be done.

One of the questions that's often asked is, "Are we going to ignore the South?" Absolutely not. As a matter of fact, it was announced yesterday that Betty and I

are going down to Louisiana. We are going to have a whistle-stop down the Mississippi River. I think it's a unique campaign technique—the *Natchez*. We will end up in New Orleans, spend the night there, and then drive the next day across the State of Mississippi, the Gulf, going on through Alabama, ending up in Florida that night, and we will be in Florida on a week from Monday.

This is only an example of what we believe is the right way to convince the voters in this country that we care about every State and every voter in every State.

Now, the message I would like to give to you on this occasion is a very simple one. This country, in the last 2 years, has gone through a very traumatic experience. We had domestic troubles with the worst recession in 40 years. When I became President, we were still engaged in a war that we seemingly couldn't win or couldn't end. At the same time, we had a great loss of public support for Washington and the White House itself. But by doing the right thing, by giving leadership—leadership in the domestic area, leadership in international policy—we have turned this country around, and we have laid the foundation in 2 short years for a great 4 years, the first 4 in our third century of American history.

I think that without any question, without any hesitation or qualification, we are going to win on November 2.

Right after the Democratic Convention the polls showed us almost 2 to 1 behind. That didn't look very, very optimistic, but we had a great convention. It was one of competition, but when we left that convention hall in Kansas City, we ended up arm in arm for a cause and for a philosophy that all of us believe in.

We have solidified our leadership. We have a good program. I think we appeal to the vast majority of Americans. In the next couple of weeks after our convention the polls narrowed, and we ended up about 15 points behind. But some good news has been coming in from polls taken all over the country. We have narrowed that gap very significantly.

And we have the momentum, as Betty said, and momentum is what counts. I would rather have the momentum going up than trying to be at the top and keep it from going down. I would much rather be a fast finisher than an early starter. [*Laughter*]

As we look at the 6 weeks ahead, they are going to come very, very fast. Betty and Mike and Jack and Steve and Susan and I, as a Ford family, will be out trying to be helpful, to tell the American people the length and breadth of

this country, that we have done a good job and that we want the opportunity to do an even better job in the next 4 years.

Thank you very much.

NOTE: The President spoke at 4:03 p.m. in the State Dining Room at the White House. In his opening remarks, he referred to Mrs. Betty Ford and Patricia Hutar, president of the federation.

792

Remarks Announcing Intention To Nominate Edward Aguirre as Commissioner of Education.

September 18, 1976

I AM very pleased to announce that I am nominating as the Commissioner of Education, Dr. Aguirre. He will succeed Dr. Bell. And Dr. Aguirre comes from the Arizona area—Arizona State. He taught school in the public school system of Phoenix, Arizona, went on to San Diego State and was on the faculty there for a number of years, and then went with the Department of Labor, and then, for the last several years, has been the Regional Director for the Office of Education in San Francisco.

Dr. Aguirre has not only the experience and the background but he firmly believes, as I do, that our approach to elementary and secondary education, where we would have a block grant program of \$3,300 million, with money going directly to the local school systems, is the way to relieve bureaucratic redtape and get the teacher and the principal and the administrator working without the heavy hand of Washington bureaucracy dictating the policies at the local school level.

Dr. Aguirre also firmly believes that our approaches to the problems of higher education are in the best interest of the students and that with the help of Congress in the next session, we hope to achieve real success in sending the money from the Federal Government, but letting the local decisions be made at the local level.

So, I am very, very pleased, Doctor, that you are going to be our new Commissioner of Education and will be working with Secretary of HEW, David Mathews. We think we have a good team.

Congratulations.

NOTE: The President spoke at 9:50 a.m. in the Oval Office at the White House.

793

**Remarks Greeting Directors of the National Farm
Credit Bureau. *September 20, 1976***

Mr. Secretary, members of the Farm Credit Directors group:

First, let me welcome you to the Rose Garden on this beautiful day. It is a great privilege and honor for me to have an opportunity of saying a few things this morning concerning agriculture, and I hope that I have the opportunity to shake hands and say hello to many of you.

I won't take a lot of your time because I know the Secretary of Agriculture is going to speak to you later today, but I would like to make an observation or two.

I was just told by the Secretary that last year this group loaned some \$33 billion to American farmers and ranchers. That's a tremendous accomplishment, and I congratulate you for your constructive contribution to the outstanding record of American agriculture.

I know that we've got some rather serious problems in some areas of the country that will involve credit. We have a drought in our upper Midwest area. We know that that will undoubtedly bring about some added need for additional credit, and I am sure that Secretary Butz and myself will work with you to make certain and positive that there is adequate credit available for our American farmers and ranchers.

As we look down the road to a longer problem, we obviously will have to have greater credit availability as our population increases and as our export markets increase with the growing population around the world. But I am absolutely confident that people like yourselves, working with the responsible people in the Federal Government, will be able to meet the needs of additional credit for our agricultural community in the United States.

Earl Butz frequently says, and I totally agree with him, that the American farmer is the miracle-man of this 20th century. I was looking at some statistics the other day. I was obviously pleased to see that the American farmer today—one farmer produces enough for 56 people in our country or abroad—an increase of some 16 in the last 10 years.

This proves to me that American agriculture is the most productive segment of our total society, and the statistics indicate that American agriculture productivity has gone up far, far greater in the last 10 years than any other segment of our society.

Now, with all of this improvement in your productivity and your investment and your effort, it's absolutely essential that the American farmer be adequately compensated and that means a fair price in a free market. And this is what we must insist upon in the years ahead.

As I look around this audience, I am sure there are people like myself who knew in the fifties, and to some extent in the sixties, we had substantial surpluses of wheat and corn and other agricultural commodities. They were a depressant on the market, and the fact that the Government had these substantial surpluses were injurious to the American farmer. We have gotten rid of all those surpluses by an expanded world market, and we are going to continue to expand our markets around the world.

Last year, we exported some \$21 billion worth of American farm commodities, and we will do better in 1976. And this will be good for us here at home, and it will be extremely helpful to those customers overseas.

Now, as a result of a free market, as a result of our record exports in the last 3 years, American agriculture has had the highest net income in the history of this country. But we are not satisfied with the record of the last 3 years. We think the farm policies we have are farm policies that will increase the economic circumstances of America's farmers and ranchers.

Let me say a word, if I might, about taxes. Most of you know that earlier this year I recommended to the Congress that we increase the personal exemption for the estate tax from \$60,000—what it was when it was established in the first place back in 1942—and I proposed that it be increased to \$150,000, or higher. We've kept the pressure on the Congress, and there will be a significant improvement in the estate tax exemption. The Congress didn't go along with what I recommended entirely, but it's a major step forward. And I think it means that what we will have is a farm or a small business can go from one generation to the next without the tax collector coming in and taking over.

It seems to me that in addition, we have to do something affirmatively about our personal income taxes, generally. Earlier this year, I recommended to the Congress that we increase the personal exemption from \$750 per person to \$1,000. Let's take a family of four. A family of four with that kind of a tax reduction would get an additional \$1,000 personal exemption. If you have a family of six, it would be \$1,500 added personal exemption.

This is an attempt—this recommendation came from me because our middle-income taxpayers have been short-changed over the last 10 years. I believe that that group ought to get additional tax relief.

I recognize fully that we are trying to get our Federal finances in order. We

are making headway as we reduce the deficits that were primarily caused by our recession in 1975. But let me say this: We cannot add to the expenditures of the Federal Government with a host of new programs unless you are willing to tighten your belts.

Now, I don't think we need a lot of new spending programs, period. If we hold the line on Federal expenditures, we can honestly give tax reductions, and that is the program of this administration. But those who advocate additional expenditures have now suggested that in order to pay for those new programs and added expenditures, there should be an additional tax levy on the middle-income people, which is approximately 50 percent of the taxpayers of this country. We should go in the opposite direction. We should give them tax relief, not additional, added taxes. And this administration will give you tax relief because it's good for America.

So, let me just conclude by saying that our overall objective for the farmers, for the ranchers, for the middle-income people, is tax relief. But for farmers and ranchers generally, we want a fair market price in a free market. We want full production, record exports, and tax policies that permit you to pass your farm or ranch from one generation to another and keep our economy healthy by reducing the burden of government on you.

We want to get the government off your farm, off your back, and out of your pocket.

Thank you very much.

NOTE: The President spoke at 12:07 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to Secretary of Agriculture Earl L. Butz.

794

Remarks of Welcome to President William R. Tolbert, Jr., of Liberia. *September 21, 1976*

President Tolbert, Mrs. Tolbert, ladies and gentlemen:

I am particularly pleased to welcome back to Washington a distinguished friend of the United States of America. President Tolbert, your state visit is the first by an African leader in our third century of American history. We are proud and honored to have the red, white, and blue of Liberia fly side by side with our own colors.

Americans and Liberians share a very unique and special relationship. Both countries were founded by men and women who deeply believe in liberty

and justice. The Liberian national motto, "The love of liberty brought us here," could apply just as well to the United States of America.

You have arrived here at a time when Americans are seeking to assist Africans to achieve peaceful solutions to extremely difficult problems. I have sent our Secretary of State to Africa, in full knowledge of the complexity of the problems and of the limitations of our role. Any realistic and enduring settlement must be made in Africa. We can only offer our assistance in encouraging the parties to negotiate to prevent increased violence and bloodshed.

Mr. President, as a distinguished African statesman, you are fully aware of the danger and the challenge that faces all men and women of good will in the southern portion of your continent. We greatly appreciate and value your wise counsel, your moderation, and your support. We assure you that the United States will remain a trusted friend, worthy of your confidence and that of all Liberians and all the peoples of Africa.

Americans have noted with admiration the determination [with] which Liberia is developing its potentialities. We will continue to help Liberia help herself.

As President of Liberia, you have contributed much to the material and spiritual evolution of your people. But you have also given yourself internationally as an ordained Baptist minister, through your leadership of the Baptist World Alliance. As the first black elected president of the Baptist World Alliance, you have advanced the vision of President Tubman¹ through your inspired work for the benefit of man and the glory of God.

We thank you and all the people of Liberia not only for your visit but for Liberia's many manifestations of friendship in this Bicentennial Year. I was especially gratified to know of your personal participation, Mr. President, in our Fourth of July celebration in Monrovia.

Mr. President, you are a welcome visitor to the Nation's Capital and to the White House. I look forward to our discussions. Through these exchanges, we can advance the cause of peaceful progress for Africa and for all humanity. The American people join in welcoming you and strengthening, during this visit, the very close ties between our two peoples.

NOTE: President Ford spoke at 10:50 a.m. on the South Lawn at the White House, where President Tolbert was given a formal welcome with full military honors. President Tolbert responded as follows:

Mr. President, Mrs. Ford, distinguished ladies and gentlemen, friends:

We are profoundly touched by your thrillingly warm remarks of welcome, Mr. President, extended to Mrs. Tolbert, members of my official party, and

¹ William V. Tubman, President of Liberia 1943–71.

to me, at the commencement of our visit to your great Nation on this most historic and significant occasion.

We are gratified that you have paid my country and Africa the signal honor of this unique invitation to share with you and all citizens of America at the captivating joys of your historic Bicentennial celebrations. Impressed as we are by your exhilaratingly warm reception of us, we sincerely ask, in turn, that you accept of us, Mr. President, our heartfelt appreciation and gratitude.

As we enthusiastically rejoice with you in the spirit of '76, we salute you and all the great people of the United States of America and extend our hearty congratulations as you enter upon your third century of dynamic and inspiring nationhood.

The microcosm of the whole world, America has illuminated the limitless potentials of the human family when it is free to think, free to decide, and free to act. America is a viable land of spectacular and expanding opportunity. The model of resiliency and renewal, America is an historic land where challenges are pursued with courage and with skill. A mosaic of devotion and resolve, the American people are admired for their ingenious quests, for excellence in science and statecraft, in industry and enterprise.

America is indeed a creative land of surging patriotism and surging proficiency. With her towering stature and commanding influence in the comity of nations, she has defended and expanded

democracy around the world, fostering integrity, spawning opportunities, and endeavoring to sever the scourge of injustice and indignity from the noble family of mankind.

The Liberian nation and people are proud to have traditionally enjoyed with you, Mr. President, and the great American people a unique and special friendship during the span of our 130 years of independence. We have drawn exceptional inspiration from your unrelenting and outstanding leadership in the world for genuine understanding and productive cooperation, and we embrace the fervent hope that America's innovative initiative will be clearly evident in man's continuing search for peace and in the struggle against poverty, exploitation, suppression, oppression, injustice, and human indignity.

It is indeed our deepest wish, Mr. President, that the essence of the spirit of '76 will enrich the living conditions of our one world so that all God's children may obtain a better quality of life in a framework of equality, of vibrant opportunity, and of social justice.

We ask that you be so kind as to accept from the government and people of Liberia, and in our name, Mr. President, our fondest wishes for unprecedented heights of happiness and achievement for the enterprising, most industrious and illustrious Nation and people of the United States of America.

Thank you.

795

Statement on Sugar Imports. *September 21, 1976*

SINCE JULY, the price of raw sugar has steadily declined and is now below the cost of production for most U.S. sugar producers. At current price levels many U.S. sugar beet and sugarcane producers are unable to operate profitably. I have watched these developments with growing concern, mindful of the important contribution that our sugar industry makes to the national economy. Consequently, when prices plummeted in August, the interagency Task Force on Sugar Policy was reconstituted to update the supply, demand, and price outlook for the remainder of 1976 and to consider the policy implications of these projections. The task force has now completed its review and has reported to me its analysis of the problem and the policy options.

After reviewing the work of this task force, and determining the views of Members of Congress from the affected areas, I have decided to give my full support to the request of the Senate Finance Committee for an escape clause

investigation by the U.S. International Trade Commission under Section 201 of the Trade Act of 1974. I fully agree with the Finance Committee that this matter requires a full and complete examination by the USITC. Further, because of the urgency of the problem for America's sugar producers, I am asking the USITC to expedite its review and to report its findings as soon as possible.

In addition, in view of the depressed state of the sugar industry, I have decided, pending completion of the USITC investigation, to raise the duty on imported sugar from .625 cents per pound to 1.875 cents per pound, effective immediately. Increased custom duties will offer domestic producers some protection from imports while the USITC investigation is underway. I emphasize that this is an interim measure which I will review following receipt of the findings of the USITC and that I am not prejudging the eventual findings and recommendations of the USITC with respect to the question of injury or possible remedial measures.

796

Letter to the Chairman of the United States International Trade Commission Concerning Sugar Imports.

September 21, 1976

IT IS my understanding that the Senate Finance Committee, acting pursuant to Section 201(b)(1) of the Trade Act of 1974, has requested that the U.S. International Trade Commission begin an investigation under Section 201 of the Trade Act to determine whether United States sugar producers are being harmed or threatened with harm by imports of sugar. I urge the Commission to promptly make such an investigation in view of recent trends in the sugar industry.

As a separate action, within the limits of my authority to establish appropriate rates of duty for sugar provided for in TSUS items 155.20 and 155.30, I have proclaimed a rate of duty applicable to such sugar imports of approximately 1.9 cents per pound. This action is not intended to prejudice the results of the Commission's investigation.

I request that the Commission expedite its investigation and submit its report to me as quickly as possible.

Sincerely,

GERALD R. FORD

[The Honorable Will E. Leonard, Jr., Chairman, U.S. International Trade Commission, Washington, D.C. 20436]

797

**Letter to Congressional Committee Chairmen Transmitting
Report on the Status of Indochina Refugees.
*September 21, 1976***

IN ACCORDANCE with the provisions of the Indochina Migration and Refugee Assistance Act of 1975, I am reporting to you on the status of refugees from Cambodia and South Vietnam.

We have made and continue to make remarkable progress in the resettlement and assimilation of the Indochina refugee into American life. This progress has been made possible through the efforts of many private individuals and through the cooperative efforts of public and private institutions. Many refugees have made the transition into American life. Others require financial, medical or educational assistance. As my report to you shows, that assistance is adequately being provided through several federally assisted programs.

Vast strides have been made by these newcomers to our country. I am confident that in the near future, they will achieve full citizenship and contribute greatly to our society.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable James O. Eastland, Chairman, Senate Committee on the Judiciary; the Honorable Peter W. Rodino, Chairman, House Committee on the Judiciary; the Honorable John J. Sparkman, Chairman, Senate Committee on Foreign Relations; the Honorable Thomas E. Morgan, Chairman, House Committee on International Relations; the

Honorable John L. McClellan, Chairman, Senate Committee on Appropriations; and the Honorable George H. Mahon, Chairman, House Committee on Appropriations.

The report is entitled "HEW Task Force for Indochina Refugees, Report to the Congress, September 20, 1976."

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**Toasts of the President and President William R.
Tolbert, Jr., of Liberia. *September 21, 1976***

President Tolbert and Mrs. Tolbert:

Mrs. Ford and all of our guests welcome you to the United States and to the White House on this occasion.

Your visit, Mr. President, is a particularly gratifying occasion because of our very special relationship with Liberia and the fact that this is the first African state visit of our third century of independence for the United States.

President Monroe presided in this very building at the time when blacks from this country created Liberia and named your capital city, Monrovia, after President Monroe. The founding of Liberia is a tribute to the conscience of mankind.

As President of Liberia, you have served not only as your country's leader but also have inspired millions throughout the world by your spiritual calling. As an ordained Baptist minister you were the first black elected President of the Baptist World Alliance. And we are proud that that election was held in the United States.

We meet at a time, on this occasion, when both the United States and Liberia are mindful of the very great problems in southern Africa. We agree on the urgent need for action, for peace and justice for all of the peoples of Africa.

The friendship linking our two countries is no accident, Mr. President. Our relations rest upon a basis, a foundation of shared values even to the shared red, white, and blue of our two respective flags. Our relationship is nurtured by the mutual respect that evolved over many, many years to meet many of our mutual challenges. Mr. President, we will face the challenges of today with the insights and with the determination developed through our past cooperation.

We share not only a special relationship but also a very special responsibility to others. Liberia and the United States are, after all, distinctive among nations. Ours are the oldest existing republics on our respective continents. Our constitutions, both written long, long ago, remain viable and living documents.

Mr. President, I know that you agree with me that freedom is too precious a gift for our nations to reserve only for ourselves. We must stand ready to encourage others, all those who strive for freedom, reconciliation, and the rights of all men, whether they are on the African Continent or otherwise.

We are deeply grateful for Liberia's courage and wisdom, and I especially appreciate your very wise and personal counsel. Liberia can count on the United States to assist and support the Liberian people, just as the United States has always been able to rely on the Liberian people.

Mr. President, when your grandparents emigrated from the United States to Liberia just a few years ago, we lost two valuable American citizens, but Liberia gained a great President.

Now, may I ask all of you to join me in a tribute to the President of Liberia and Mrs. Tolbert, a heartfelt welcome to Washington, and to Liberia and to

the United States of America. May they ever be firm and very fast friends inspired by a common vision of liberty.

NOTE: The President spoke at 10:25 p.m. in the State Dining Room at the White House. President Tolbert responded as follows:

Mr. President, Mrs. Ford, distinguished ladies and gentlemen, friends:

On this, our first state visit to the United States, we are indeed overwhelmed with joy to be here with you and to enjoy at evening time the loveliness of a warm American fellowship.

We are deeply grateful, Mr. President, not only for this cordially exceptional White House hospitality but also for your extraordinarily kind invitation to share in the joys of the American Bicentennial.

Indeed, we are imbued on this occasion with signal salutations for your astounding achievements and filled with great pride and expectations as you enter upon your third century of independence, a unique and unified people, strong and proud, and a haven of opportunity and liberty; a foremost nation of nations wherein the seeds of all humanity can blossom and flower in the realization of their fullest potential.

The selection of dainties you have so graciously afforded us in this most impressive setting can be likened, Mr. President, on a banquet of superb grandeur. How be it, Mr. President, my actual indulgence and sincerity to express that my happiness is in part subdued as I reflect upon the violent oppression and continuing brutal repression and massacre of my brothers and sisters, being all of the family of man, in Zimbabwe, Namibia, and South Africa at this time.

Nevertheless, with emphasis, Mr. President, I confirm that we are thrilled to be in your midst as you joyfully celebrate two centennials of distinction, and extend profound congratulations to you and all the American people, not only for the historic triumphs of the past but also for the current validity of unrelenting devotion to those invincible and eternal truths which, alas, must elevate the family of man and of nations.

We are highly appreciative of the gracious opportunity earlier afforded us today in the Oval Office to consider with you some of the urgent priorities of our world and also the development in Liberia. And we are deeply grateful both for your understanding of the problems which we face and for the assurances you have given of continued aid and assistance in an ever-increasing manner.

This time the consideration is truly encouraging and can only be indicative of the special relations between our two countries, of which we can be justly proud. It is uplifting to all mankind when America champions the advent of the new order

of economic equity and prosperity for all nations of our one world.

It is indeed exhilarating to mankind when America successfully displays in space the limitless technological ingenuity and superiority of the human specie over the universe of nature. It indeed ennoble the human family when America continues in her third century the exercise of a courageous leadership role in securing dignity and independence for the oppressed and repressed peoples across the globe, particularly at this time in southern Africa, thus upholding her firm democratic traditions in the interest of world security and peace.

In this regard, Mr. President, I assure you that we are deeply heartened by the positive and meaningful initiatives and diplomatic interventions for peace that you and your government are undertaking during this year of America's Bicentennial through Secretary of State Kissinger to end the most serious South African conflict, which is crucial—indeed crucial—to all Africa and must be of concern to the whole world.

Accordingly, it is our ardent hope that America will continue among nations to build constructively upon its moral and its industrial stature.

The strength of Liberia's existence is embedded in the unyielding and unconquerable spirit of America. Having stood unswervingly and fearlessly for one century and three decades upon the same democratic ideals which led to the founding of the American Nation, Liberia has steadfastly kept aloft the torch of liberty and democracy in Africa, pre-saging upon our continent the new age of total African emancipation.

We firmly hold those truths in sacred and pragmatic relevance to our victorious national design that our people, under God, should become more solidly interwoven and enterprising, more skillfully productive and prosperous.

Liberia has a rendezvous with developmental reconstruction. With increasing health programs and expanding educational facilities, Liberians are acting now to widen yet the vistas of opportunity for all of our people, with greater emphasis being placed on those within the distant rural areas of the country, and rightly so.

Through total civic involvement, through modern infrastructural improvement and rural integrated development, we are acting now to tighten still the treasured bonds of national unity. By means of the free enterprise system, by a policy of productive copartnership with other nations and with our foreign investors, and by dedicated and

responsible husbandry of all our resources, we are acting now to brighten yet the eager prospects for unprecedented national prosperity.

Liberians are actively aware that the spirit of America has a uniquely infectious quality. Thus, to an aspiring and emerging world, it is my conviction that this land and people must remain a towering pillar of strength, courage, enterprise, and challenge, inspiring all nations.

To peoples struggling still under the yoke of violent oppression, America must continue to tend and fend and fan the flame of freedom, justice, and human dignity. To nations entangled in the intricacies of economic exploitation, American ingenuity must set the pace in resolving the issues of global restructure and reform—an excellent nation in command.

As she embarks upon another centennial destiny and destinies still to follow, America's challenge

and promise must remain indeed commanding, to signal the course of victory for an expanding and wholesome functioning world society.

In this enterprise of hope and action, Mr. President, we in Liberia—as trusted friends, and will remain so—can certainly pledge our sincere and solemn endeavor to dispel despair, to defeat dejection and, in an environment of mutual respect and reciprocal friendship, to join unremittingly with you in consolidating constructive cooperation and productive interdependence among all peoples and nations of our one world.

Distinguished ladies and gentlemen, may I ask you to stand. Raise your glasses with me as I proffer the health of the President of the great United States. And to the peoples of the United States of America, our fondest hopes and best wishes for continuing dynamic and magnetic success. The President.

799

Message to the Senate Transmitting a Protocol To Amend the United States-United Kingdom Convention on Taxation and Fiscal Evasion. *September 22, 1976*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocol signed at London on August 26, 1976, amending the Convention between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at London on December 31, 1975, as amended by Notes exchanged at London on April 13, 1976. For the information of the Senate, I also transmit a covering report of the Department of State with respect to the Protocol.

The Convention, along with the amending Notes and this Protocol, would promote closer cooperation and more active trade between the United States and the United Kingdom.

I urge the Senate to give its advice and consent to ratification to the Convention, the exchange of Notes, and to this Protocol, at any early date.

The White House,
September 22, 1976.

GERALD R. FORD

NOTE: The protocol and accompanying papers are printed in Senate Executive Q (94th Cong., 2d sess.).

800

**Remarks Upon Signing the Department of Defense
Appropriations Act, 1977. September 22, 1976**

Secretary Rumsfeld, distinguished Members of the House and Senate, members of the Joint Chiefs of Staff, leaders in military-oriented and veterans organizations, ladies and gentlemen:

I am about to sign into law the defense appropriation bill for fiscal year 1977. This legislation represents substantial progress toward meeting the essential national defense requirements that I recommended to the Congress in January. This bill helps to reverse a steady decline in the real resources devoted to national security, which had become a pattern. After 8 years of decline we are providing for real growth in defense spending.

I believe this bill reflects a new awareness that this country can no longer shortchange our national defense efforts. I commend the Congress and its leadership for joining with the administration in reversing this trend. I am convinced that this new pattern must and will be sustained in future years, and I am personally, fully committed to it. I will ensure that America's military forces remain unsurpassed, as they are today. But while this bill represents real progress, there is more to be done.

First, I have directed a number of actions to achieve major economies in the operation of the Defense Department. Other economies which would have saved approximately \$16 billion over a 5-year period required affirmative legislative action. Unfortunately, the Congress has thus far failed to act on a majority of these issues.

Second, Congress has failed to authorize certain programs that are essential to our long-term defense policy. This is particularly true in the shipbuilding area.

Third, Congress has added funds for programs which I did not request in fiscal year 1977, funds which should be used instead for more important programs that Congress rejected. That is why, on August 23, I found it necessary to resubmit authorization requests totaling \$2.4 billion to cover what I considered critical programs which were not approved by the Congress. At the same time, I also asked for the deletion of programs totaling \$584 million in this fiscal year, suggesting that these funds be applied against the programs that I had requested.

I am very pleased that the conferees in the House and Senate for the legis-

lative appropriation bill have agreed to some of the steps that I have recommended. This defense bill, however, represents, overall, very real progress, but there are other measures that I feel must be taken.

The shipbuilding program is of critical importance to our future ability to control the seas in the event of conflict. The Seapower Subcommittee of the House Committee on Armed Services has unanimously approved a \$1.1 billion program to begin work on the additional ships needed to strengthen our Navy. I urgently call on the Congress to approve this program before adjournment, so that we can be assured our continued naval superiority during the next two decades.

I thank in particular those of you here today. I know and I deeply appreciate the efforts of all of you with respect to our national security. I share your dedication, and I share with you the valuable contributions that you have made to the Nation's freedom.

Thank you very much.

[*At this point, the President signed H.R. 14262.*]

Again, thank you all very, very much. We are very grateful for your contributions and your support, and we will be continuing to sustain this effort which is so important.

Thank you very much.

NOTE: The President spoke at 12:47 p.m. at a ceremony in the Rose Garden at the White House. In his opening remarks, he referred to Secretary of Defense

Donald H. Rumsfeld.

As enacted, the bill (H.R. 14262) is Public Law 94-419 (90 Stat. 1279).

801

Memorandum on Recombinant DNA Experiments.

September 22, 1976

Memorandum for the Heads of Departments and Agencies

On June 23 the National Institutes of Health released guidelines for the conduct of research involving the creation of new forms of life used in studying genetics (recombinant DNA [Deoxyribonucleic acid] experiments). These guidelines establish carefully controlled conditions for experiments in which foreign genes are inserted into microorganisms, such as bacteria. The objective of the guidelines is the containment of these possibly dangerous organisms while permitting research of great potential benefit to mankind.

The guidelines extend a moratorium that the scientists themselves imposed on certain experiments involving recombinant DNA. I am advised by the Secretary of Health, Education, and Welfare that recombinant DNA research has great potential in medicine as well as in science and technology generally. There are risks, however. The NIH guidelines prohibit certain types of experiments and require special safety conditions for other experiments. The provisions are designed to afford protection with a wide margin of safety to workers and the environment.

The Department of Health, Education, and Welfare expects these guidelines to be supported by the largest part of the scientific community and will use them to govern research at laboratories of the National Institutes of Health and at those of its grantees and contractors.

Secretary Mathews will be convening an interagency committee to review Federal policies on the conduct of research involving recombinant DNA.

I expect the full cooperation of each department and agency conducting or supporting recombinant DNA experiments with Secretary Mathews, who will take the lead in this.

GERALD R. FORD

802

Special Message to the Congress Reporting on Budget Rescissions and Deferrals. *September 22, 1976*

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose three rescissions of 1977 budget authority totalling \$134.1 million. The rescission proposals affect programs of the Corps of Engineers and the Departments of the Interior and Transportation.

In addition, I am reporting an increase of \$133,000 to a 1976 and transition quarter deferral involving the wildlife conservation, etc., military reservations programs.

The details of the proposed rescissions and the revised deferral are contained in the attached reports.

GERALD R. FORD

The White House,
September 22, 1976.

NOTE: The attachments detailing the rescissions and deferral are printed in the Federal Register of September 27, 1976 (41 FR 42346).

803

**Presidential Campaign Debate of
*September 23, 1976***

THE MODERATOR. I am Edwin Newman, moderator of this first debate of the 1976 campaign between Gerald R. Ford of Michigan, Republican candidate for President, and Jimmy Carter of Georgia, Democratic candidate for President.

We thank you, President Ford, and we thank you, Governor Carter, for being with us tonight.

There are to be three debates between the Presidential candidates and one between the Vice-Presidential candidates. All are being arranged by the League of Women Voters Education Fund.

Tonight's debate, the first between Presidential candidates in 16 years and the first ever in which an incumbent President has participated, is taking place before an audience in the Walnut Street Theatre in Philadelphia, just 3 blocks from Independence Hall. The television audience may reach 100 million in the United States and many millions overseas.

Tonight's debate focuses on domestic and economic policy. Questions will be put by Frank Reynolds of ABC News, James Gannon of the Wall Street Journal, and Elizabeth Drew of the New Yorker magazine.

Under the agreed rules the first question will go to Governor Carter. That was decided by the toss of a coin. He will have up to 3 minutes to answer. One followup question will be permitted with up to 2 minutes to reply. President Ford will then have 2 minutes to respond.

The next question will go to President Ford, with the same time arrangements, and questions will continue to be alternated between the candidates. Each man will make a 3-minute statement at the end, Governor Carter to go first.

President Ford and Governor Carter do not have any notes or prepared remarks with them this evening.

Mr. Reynolds, your question for Governor Carter.

MR. REYNOLDS. Mr. President, Governor Carter.

Governor, in an interview with the Associated Press last week, you said you believed these debates would alleviate a lot of concern that some voters have about you. Well, one of those concerns—not an uncommon one about candidates in any year—is that many voters say they don't really know where you stand.

Now, you have made jobs your number one priority, and you have said you are committed to a drastic reduction in unemployment. Can you say now, Gov-

error, in specific terms what your first step would be next January, if you are elected, to achieve that?

MR. CARTER. Yes. First of all it's to recognize the tremendous economic strength of this country and to set the putting back to work of our people as a top priority. This is an effort that ought to be done primarily by strong leadership in the White House, the inspiration of our people, the tapping of business, agriculture, industry, labor, and government at all levels to work on this project. We will never have an end to the inflationary spiral, and we will never have a balanced budget until we get our people back to work.

There are several things that can be done specifically that are not now being done: first of all, to channel research and development funds into areas that will provide large numbers of jobs; secondly, we need to have a commitment in the private sector to cooperate with government in matters like housing. Here, a very small investment of taxpayers' money in the housing field can bring large numbers of extra jobs, in the guarantee of mortgage loans, in the putting forward of 202 programs for housing for older people and so forth, to cut down the roughly 20-percent unemployment that now exists in the construction industry.

Another thing is to deal with our needs in the central cities where the unemployment rate is extremely high—sometimes among minority groups, those who don't speak English or who are black or young people—a 40-percent unemployment. Here, a CCC [Civilian Conservation Corps]-type program would be appropriate, to channel money into the sharing with private sector and also local and State governments to employ young people who are now out of work.

Another very important aspect of our economy would be to increase production in every way possible, to hold down taxes on individuals, and to shift the tax burdens on to those who have avoided paying taxes in the past.

These kinds of specific things, none of which are being done now, would be a great help in reducing unemployment.

There is an additional factor that needs to be done and covered very succinctly, and that is to make sure that we have a good relationship between management, business on the one hand and labor on the other.

In a lot of places where unemployment is very high, we might channel specific, targeted job opportunities by paying part of the salary of unemployed people and also sharing with local governments the payment of salaries, which would let us cut down the unemployment rate much lower before we hit the inflationary level.

But I believe that by the end of the first 4 years of the next term, we could have the unemployment rate down to 3 percent—adult unemployment—which

is about 4 to 4½ percent overall, a controlled inflation rate, and have a balanced growth of about 4 to 6 percent, around 5 percent, which would give us a balanced budget.

MR. REYNOLDS. Governor, in the event you are successful and you do achieve a drastic drop in unemployment, that is likely to create additional pressure on prices. How willing are you to consider an incomes policy; in other words, wage and price controls?

MR. CARTER. Well, we now have such a low utilization of our productive capacity, about 73 percent—I think it's about the lowest since the Great Depression years—and such a high unemployment rate now—7.9 percent—that we have a long way to go in getting people to work before we have the inflationary pressures. And I think this would be easy to accomplish, to get jobs now without having the strong inflationary pressures that would be necessary.

I would not favor the payment of a given fixed income to people unless they are not able to work. But with tax incentives for the low-income groups, we could build up their income levels above the poverty level and not make welfare more profitable than work.

THE MODERATOR. Mr. President, your response?

THE PRESIDENT. I don't believe that Mr. Carter has been any more specific in this case than he has been on many other instances. I notice particularly that he didn't endorse the Humphrey-Hawkins bill, which he has on occasions and which is included as a part of the Democratic platform. That legislation allegedly would help our unemployment, but we all know that it would have controlled our economy. It would have added \$10 to \$30 billion each year in additional expenditures by the Federal Government. It would have called for export controls on agricultural products.

In my judgment the best way to get jobs is to expand the private sector, where five out of six jobs today exist in our economy. We can do that by reducing Federal taxes, as I proposed about a year ago when I called for a tax reduction of \$28 billion, three-quarters of it to go to private taxpayers and one-quarter to the business sector. We could add to jobs in the major metropolitan areas by a proposal that I recommended that would give tax incentives to business to move into the inner city and to expand or to build new plants so that they would take a plant or expand a plant where people are and people are currently unemployed.

We could also help our youth with some of the proposals that would give to young people an opportunity to work and learn at the same time, just like we give money to young people who are going to college.

Those are the kind of specifics that I think we have to discuss on these debates, and these are the kind of programs that I will talk about on my time.

THE MODERATOR. Mr. Gannon, your question to President Ford.

MR. GANNON. Mr. President, I would like to continue for a moment on this question of taxes which you have just raised. You have said that you favor more tax cuts for middle-income Americans, even those earning up to \$30,000 a year. That presumably would cost the Treasury quite a bit of money in lost revenue.

In view of the very large budget deficits that you have accumulated and that are still in prospect, how is it possible to promise further tax cuts and to reach your goal of balancing the budget?

THE PRESIDENT. At the time, Mr. Gannon, that I made the recommendation for a \$28 billion tax cut—three-quarters of it to go to individual taxpayers and 25 percent to American business—I said at the same time that we had to hold the lid on Federal spending; that for every dollar of a tax reduction, we had to have an equal reduction in Federal expenditures—a one-for-one proposition. And I recommended that to the Congress with a budget ceiling of \$395 billion, and that would have permitted us to have a \$28 billion tax reduction.

In my tax reduction program for middle-income taxpayers, I recommended that the Congress increase personal exemptions from \$750 per person to \$1,000 per person. That would mean, of course, that for a family of four that that family would have \$1,000 more personal exemption, money that they could spend for their own purposes, money that the Government wouldn't have to spend. But if we keep the lid on Federal spending, which I think we can with the help of the Congress, we can justify fully a \$28 billion tax reduction.

In the budget that I submitted to the Congress in January of this year, I recommended a 50-percent cutback in the rate of growth of Federal spending. For the last 10 years the budget of the United States has grown from about 11 percent per year. We can't afford that kind of growth in Federal spending. And in the budget that I recommended, we cut it in half—a growth rate of 5 to 5½ percent. With that kind of limitation on Federal spending, we can fully justify the tax reductions that I have proposed. And it seems to me, with the stimulant of more money in the hands of the taxpayer and with more money in the hands of business to expand, to modernize, to provide more jobs, our economy will be stimulated so that we will get more revenue, and we will have a more prosperous economy.

MR. GANNON. Mr. President, to follow up a moment, the Congress has passed a tax bill which is before you now which did not meet exactly the sort of out-

line that you requested. What is your intention on that bill since it doesn't meet your requirements? Do you plan to sign that bill?

THE PRESIDENT. That tax bill does not entirely meet the criteria that I established. I think the Congress should have added another \$10 billion reduction in personal income taxes, including the increase of personal exemptions from \$750 to \$1,000. And Congress could have done that if the budget committees of the Congress and the Congress as a whole had not increased the spending that I recommended in the budget. I am sure you know that in the resolutions passed by the Congress, they have added about \$17 billion in more spending by the Congress over the budget that I recommended. So, I would prefer in that tax bill to have an additional tax cut and a further limitation on Federal spending.

Now, this tax bill that hasn't reached the White House yet—but is expected in a day or two—it's about 1,500 pages. It has some good provisions in it; it has left out some that I have recommended, unfortunately. On the other hand, when you have a bill of that magnitude, with those many provisions, a President has to sit and decide if there is more good than bad. And from the analysis that I have made so far, it seems to me that that tax bill does justify my signature and my approval.

THE MODERATOR. Governor Carter, your response.

MR. CARTER. Well, Mr. Ford is changing considerably his previous philosophy. The present tax structure is a disgrace to this country. It's just a welfare program for the rich. As a matter of fact, 25 percent of the total tax deductions go for only 1 percent of the richest people in this country, and over 50 percent of the tax credits go for the 14 percent of the richest people in this country.

When Mr. Ford first became President in August of 1974, the first thing he did in October was to ask for a \$4.7 billion increase in taxes on our people in the midst of the heaviest recession since the Great Depression of the 1940's. In January of 1975, he asked for a tax change, a \$5.6 billion increase on low- and middle-income private individuals, a \$6½ billion decrease on the corporations and the special interests. In December of 1975, he vetoed the roughly \$18 to \$20 billion tax reduction bill that had been passed by the Congress. And then he came back later on in January of this year, and he did advocate a \$10 billion tax reduction, but it would be offset by a \$6 billion increase this coming January in deductions for social security payments and for unemployment compensation.

The whole philosophy of the Republican Party, including my opponent, has been to pile on taxes on low-income people, to take them off on the corpo-

rations. As a matter of fact, since the late sixties when Mr. Nixon took office, we've had a reduction in the percentage of taxes paid by corporations from 30 percent down to about 20 percent. We've had an increase in taxes paid by individuals, payroll taxes, from 14 percent up to 20 percent. This is what the Republicans have done to us. This is why tax reform is so important.

THE MODERATOR. Mrs. Drew, your question to Governor Carter.

MS. DREW. Governor Carter, you've proposed a number of new or enlarged programs, including jobs and health, welfare reform, child care, aid to education, aid to cities, changes in social security and housing subsidies. You've also said that you want to balance the budget by the end of your first term. Now, you haven't put a price tag on those programs, but even if we priced them conservatively, and we count for full employment by the end of your first term, and we count for the economic growth that would occur during that period, there still isn't enough money to pay for those programs and balance the budget by any estimates that I've been able to see.

So, in that case, what would give?

MR. CARTER. Well, as a matter of fact, there is. If we assume a rate of growth of our economy equivalent to what it was during President Johnson and President Kennedy, even before the Vietnamese war, and if we assume that, at the end of the 4-year period we can cut our unemployment rate down to 4 to 4½ percent. Under those circumstances, even assuming no elimination of unnecessary programs and assuming an increase in the allotment of money to finance programs increasing as the inflation rate does, my economic projects, I think confirmed by the House and the Senate committees, have been, with a \$60 billion extra amount of money that can be spent in fiscal year '81—which would be the last year of this next term—within that \$60 billion increase, there would be fit the programs that I promised the American people. I might say, too, that if we see that these goals cannot be reached—and I believe they are reasonable goals—then I would cut back on the rate of implementation of new programs in order to accommodate a balanced budget by fiscal year '81, which is the last year of the next term.

I believe that we ought to have a balanced budget during normal economic circumstances. And these projections have been very carefully made. I stand behind them. And if they should be in error slightly on the down side, then I will phase in the programs that we've advocated more slowly.

MS. DREW. Governor, according to the budget committees of the Congress that you referred to, if we get to full employment, what they project at a 4-percent unemployment and, as you say, even allowing for the inflation in the

programs, there would not be anything more than a surplus of \$5 billion by 1981. Conservative estimates of your programs would be that they'd be about \$85 to \$100 billion. So, how do you say that you are going to be able to do these things and balance the budget?

MR. CARTER. Well, the assumption that you have described that's different is in the rate of growth of our economy.

MS. DREW. No, they took that into account in those figures.

MR. CARTER. I believe that it's accurate to say that the committees to whom you refer, with the employment rate that you state and with the 5 to 5½ percent growth rate in our economy, that the projections would be a \$60 billion increase in the amount of money that we have to spend in 1981 compared to now.

And in that framework would be fit any improvements in the programs. Now, this does not include any extra control over unnecessary spending, the weeding out of obsolete or obsolescent programs. We will have a safety version built in with complete reorganization of the executive branch of Government, which I am pledged to do.

The present bureaucratic structure of the Federal Government is a mess. And if I am elected President, that's going to be a top priority of mine—to completely revise the structure of the Federal Government to make it economical, efficient, purposeful, and manageable for a change. And also, I am going to institute zero-base budgeting, which I used 4 years in Georgia, which assesses every program every year and eliminates those programs that are obsolete or obsolescent.

But with these projections we will have a balanced budget by fiscal year 1981 if I am elected President, keep my promises to the American people. And it's just predicated on very modest, but I think accurate, projections of employment increases and a growth in our national economy equal to what was experienced under Kennedy, Johnson, before the Vietnam war.

THE MODERATOR. President Ford.

THE PRESIDENT. If it is true that there will be a \$60 billion surplus by fiscal year 1981, rather than spend that money for all the new programs that Governor Carter recommends and endorses and which are included in the Democratic platform, I think the American taxpayer ought to get an additional tax break, a tax reduction of that magnitude. I feel that the taxpayers are the ones that need the relief. I don't think we should add additional programs of the magnitude that Governor Carter talks about.

It seems to me that our tax structure today has rates that are too high. But I am

very glad to point out has since 1969, during a Republican administration, we have had 10 million people taken off of the tax rolls at the lower end of the taxpayer area. And at the same time, assuming that I sign the tax bill that was mentioned by Mr. Gannon, we will, in the last two tax bills, have increased the minimum tax on all wealthy taxpayers.

And I believe that by eliminating 10 million taxpayers in the last 8 years and by putting a heavier tax burden on those in the higher tax brackets, plus the other actions that have been taken, we can give taxpayers adequate tax relief.

Now, it seems to me that as we look at the recommendations of the budget committees and our own projections, there isn't going to be any \$60 billion dividend. I've heard of those dividends in the past. It always happens. We expected one at the time of the Vietnam war, but it was used up before we ever ended the war, and taxpayers never got the adequate relief they deserved.

THE MODERATOR. Mr. Reynolds.

MR. REYNOLDS. Mr. President, when you came into office, you spoke very eloquently of the need for a time for healing. And very early in your administration you went out to Chicago and you announced, you proposed a program of case-by-case pardons for draft resisters to restore them to full citizenship. Some 14,000 young men took advantage of your offer, but another 90,000 did not. In granting the pardon to former President Nixon, sir, part of your rationale was to put Watergate behind us, to, if I may quote you again, truly end "our long national nightmare."

Why does not the same rationale apply now, today, in our Bicentennial Year to the young men who resisted in Vietnam and many of them still in exile abroad?

THE PRESIDENT. The amnesty program that I recommended in Chicago in September of 1974 would give to all draft evaders and military deserters the opportunity to earn their good record back. About 14 to 15,000 did take advantage of that program. We gave them ample time. I am against an across-the-board pardon of draft evaders or military deserters.

Now, in the case of Mr. Nixon, the reason the pardon was given was that when I took office this country was in a very, very divided condition. There was hatred; there was divisiveness; people had lost faith in their government in many, many respects. Mr. Nixon resigned, and I became President. It seemed to me that if I was to adequately and effectively handle the problems of high inflation, a growing recession, the involvement of the United States still in Vietnam, that I had to give 100 percent of my time to those two major problems.

Mr. Nixon resigned; that is disgrace—the first President out of 38 that ever resigned from public office under pressure. So, when you look at the penalty

that he paid, and when you analyze the requirements that I had to spend all of my time working on the economy, which was in trouble, that I inherited, working on our problems in Southeast Asia, which were still plaguing us, it seemed to me that Mr. Nixon had been penalized enough by his resignation in disgrace. And the need and necessity for me to concentrate on the problems of the country fully justified the action that I took.

MR. REYNOLDS. I take it, then, sir, that you do not believe that you are going to reconsider and think about those 90,000 who are still abroad? Have they not been penalized enough? Many of them have been there for years.

THE PRESIDENT. Well, Mr. Carter has indicated that he would give a blanket pardon to all draft evaders. I do not agree with that point of view. I gave in September of 1974 an opportunity for all draft evaders, all deserters, to come in voluntarily, clear their records by earning an opportunity to restore their good citizenship. I think we gave them a good opportunity. I don't think we should go any further.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, I think it's very difficult for President Ford to explain the difference between the pardon of President Nixon and his attitude toward those who violated the draft laws. As a matter of fact now, I don't advocate amnesty; I advocate pardon. There is a difference, in my opinion, and in accordance with the ruling of the Supreme Court and in accordance with the definition in the dictionary.

Amnesty means that what you did was right. Pardon means that what you did, whether it's right or wrong, you are forgiven for it. And I do advocate a pardon for draft evaders. I think it's accurate to say that 2 years ago, when Mr. Ford put in this amnesty, that three times as many deserters were excused as were the ones who evaded the draft.

But I think that now is the time to heal our country after the Vietnam war. And I think that what the people are concerned about is not the pardon or the amnesty of those who evaded the draft, but whether or not our crime system is fair.

We have got a sharp distinction drawn between white collar crime. The bigshots who are rich, who are influential, very seldom go to jail. Those who are poor and who have no influence quite often are the ones who are punished. And the whole subject of crime is one that concerns our people very much. And I believe that the fairness of it is what is the major problem that addresses our leader, and this is something that hasn't been addressed adequately by this administration.

But I hope to have a complete responsibility on my shoulders to help bring about a fair criminal justice system and also to bring about an end to the divisiveness that has occurred in our country as a result of the Vietnam war.

THE MODERATOR. Mr. Gannon.

MR. GANNON. Governor Carter, you have promised a sweeping overhaul of the Federal Government including a reduction in the number of Government agencies you say would go down to about 200 from some 1,900. That sounds indeed like a very deep cut in the Federal Government. But isn't it a fact that you are not really talking about fewer Federal employees or less Government spending, but rather that you are talking about reshaping the Federal Government, not making it smaller?

MR. CARTER. Well, I've been through this before, Mr. Gannon, as the Governor of Georgia. When I took over we had a bureaucratic mess like we have in Washington now. And we had 300 agencies, departments, bureaus, commissions—some fully budgeted, some not—but all having responsibility to carry out that was in conflict. And we cut those 300 agencies and so forth down substantially; we eliminated 278 of them. We set up a simple structure of government that could be administered fairly, and it was a tremendous success. It hasn't been undone since I was there.

It resulted also in an ability to reshape our court system, our prison system, our education system, our mental health programs, and a clear assignment of responsibility and authority, and also to have our people once again understand and control our Government.

I intend to do the same thing if I am elected President. When I get to Washington, coming in as an outsider, one of the major responsibilities that I will have on my shoulder is a complete reorganization of the executive branch of Government.

We now have a greatly expanded White House staff. When Mr. Nixon went in office, for instance, we had \$3½ million spent on the White House and its staff. That has escalated now to \$16½ million in the last Republican administration. This needs to be changed. We need to put the responsibilities back on the Cabinet members. We also need to have a great reduction in agencies and programs. For instance, we now have in the health area 302 different programs administered by 11 major departments and agencies. Sixty other advisory commissions are responsible for this. Medicaid is in one agency; Medicare is in a different one; the check on the quality of health care is in a different one. None of them are responsible for health care itself. This makes it almost impossible for us to have a good health program.

We have just advocated this past week a consolidation of the responsibilities for energy. Our country now has no comprehensive energy program or policy. We have 20 different agencies in the Federal Government responsible for the production, the regulation, the information about energy, the conservation of energy spread all over Government. This is a gross waste of money. So, tough, competent management of Government, giving us a simple, efficient, purposeful, and manageable Government will be a great step forward. And if I am elected—and I intend to be—then it's going to be done.

MR. GANNON. Well, I'd like to press my question on the number of Federal employees—whether you would really plan to reduce the overall number or merely put them in different departments and relabel them? In your energy plan, you consolidate a number of agencies into one, or you would, but does that really change the overall?

MR. CARTER. I can't say for sure that we would have fewer Federal employees when I go out of office than when I come in. It took me about 3 years to completely reorganize the Georgia government. The last year I was in office our budget was actually less than it was a year before, which showed a great improvement.

Also, we had a 2-percent increase in the number of employees the last year, but it was a tremendous shift from administrative jobs into the delivery of services. For instance, we completely revised our prison system. We established 84 new mental health treatment centers, and we shifted people out of administrative jobs into the field to deliver better services. The same thing will be done at the Federal Government level.

I accomplished this with substantial reductions in employees in some departments. For instance, in the Transportation Department we cut back about 25 percent of the total number of employees. In giving our people better mental health care, we increased the number of employees. But the efficiency of it, the simplicity of it, the ability of people to understand their own government and control it was a substantial benefit derived from complete reorganization.

We have got to do this at the Federal Government level. If we don't, the bureaucratic mess is going to continue. There is no way for our people now to understand what their Government is; there is no way to get the answer to a question. When you come to Washington to try to—as a Governor—to try to begin a new program for your people, like the treatment of drug addicts, I found there were 13 different Federal agencies that I had to go to to manage the drug treatment program. In the Georgia government we only had one agency responsible for drug treatment.

This is the kind of change that would be made. And it would be of tremendous benefit in long-range planning, in tight budgeting, saving the taxpayers' money, making the Government more efficient, cutting down on bureaucratic waste, having a clear delineation of authority and responsibility of employees, and giving our people a better chance to understand and control their Government.

THE MODERATOR. President Ford.

THE PRESIDENT. I think the record should show, Mr. Newman, that the Bureau of Census—we checked it just yesterday—indicates that in the 4 years that Governor Carter was Governor of the State of Georgia, expenditures by the government went up over 50 percent. Employees of the government in Georgia during his term of office went up over 25 percent. And the figures also show that the bonded indebtedness of the State of Georgia during his Governorship went up over 20 percent.

And there was some very interesting testimony given by Governor Carter's successor, Governor Busbee, before a Senate committee a few months ago, on how he found the Medicaid program when he came into office following Governor Carter. He testified, and these are his words, the present Governor of Georgia, he says he found the Medicaid program in Georgia in shambles.

Now, let me talk about what we've done in the White House as far as Federal employees are concerned. The first order that I issued after I became President was to cut or eliminate the prospective 40,000 increase in Federal employees that had been scheduled by my predecessor. And in the term that I have been President—some 2 years—we have reduced Federal employment by 11,000.

In the White House staff itself, when I became President we had roughly 540 employees. We now have about 485 employees. So, we've made a rather significant reduction in the number of employees on the White House staff working for the President.

So, I think our record of cutting back employees, plus the failure on the part of the Governor's program to actually save employment in Georgia, shows which is the better plan.

THE MODERATOR. Mrs. Drew.

MS. DREW. Mr. President, at Vail, after the Republican convention, you announced that you would now emphasize five new areas. Among those were jobs and housing and health, improved recreational facilities for Americans, and you also added crime. You also mentioned education.

For 2 years you've been telling us that we couldn't do very much in these areas because we couldn't afford it, and in fact, we do have a \$50 billion deficit

now. In rebuttal to Governor Carter a little bit earlier, you said that if there were to be any surplus in the next few years, you thought it should be turned back to the people in the form of tax relief. So, how are you going to pay for any new initiatives in these areas you announced at Vail you were going to now stress?

THE PRESIDENT. Well, in the last 2 years, as I indicated before, we had a very tough time. We were faced with heavy inflation—over 12 percent; we were faced with substantial unemployment. But in the last 24 months we've turned the economy around, and we've brought inflation down to under 6 percent. And we have added employment of about 4 million in the last 17 months to the point where we have 88 million people working in America today, the most in the history of the country. The net result is we are going to have some improvement in our receipts, and I think we will have some decrease in our disbursements. We expect to have a lower deficit in fiscal year 1978.

We feel that with this improvement in the economy, we feel with more receipts and fewer disbursements, we can, in a moderate way, increase, as I recommended, over the next 10 years a new parks program that would cost a billion and a half dollars, doubling our national park system.

We have recommended that in the housing program we can reduce down payments and moderate monthly payments. But that doesn't cost any more as far as the Federal Treasury is concerned.

We believe that we can do a better job in the area of crime, but that requires tougher sentencing—mandatory, certain prison sentences for those who violate our criminal laws. We believe that you can revise the Federal Criminal Code, which has not been revised in a good many years. That doesn't cost any more money. We believe that you can do something more effectively with a moderate increase in money in the drug abuse program.

We feel that in education we can have a slight increase, not a major increase. It's my understanding that Governor Carter has indicated that he approves of a \$30 billion expenditure by the Federal Government, as far as education is concerned. At the present time we are spending roughly \$3,500 million. I don't know where that money would come from.

But, as we look at the quality of life programs—jobs, health, education, crime, recreation—we feel that as we move forward with a healthier economy, we can absorb the small, necessary costs that will be required.

Ms. DREW. But, sir, in the next few years would you try to reduce the deficit, would you spend money for these programs that you have just outlined, or

would you, as you said earlier, return whatever surplus you got to the people in the form of tax relief?

THE PRESIDENT. We feel that with the programs that I have recommended, the additional \$10 billion tax cut, with the moderate increases in the quality of life area, we can still have a balanced budget, which I will submit to the Congress in January of 1978. We won't wait 1 year or 2 years longer, as Governor Carter indicates.

As the economy improves, and it is improving—our gross national product this year will average about 6-percent increase over last year—we will have a lower rate of inflation for the calendar year this year, something slightly under 6 percent; employment will be up; revenues will be up. We will keep the lid on some of these programs that we can hold down, as we have a little extra money to spend for those quality of life programs, which I think are needed and necessary.

Now, I cannot and would not endorse the kind of programs that Governor Carter recommends. He endorses the Democratic platform which, as I read it, calls for approximately 60 additional programs. We estimate that those programs would add \$100 billion minimum and probably \$200 billion maximum each year to the Federal budget. Those programs you cannot afford and give tax relief.

We feel that you can hold the line and restrain Federal spending, give a tax reduction, and still have a balanced budget by 1978.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, Mr. Ford takes the same attitude that the Republicans always take. In the last 3 months before an election, they are always for the programs that they fight the other 3½ years. I remember when Herbert Hoover was against jobs for people. I remember when Alf Landon was against social security. And later President Nixon—16 years ago—was telling the public that John Kennedy's proposals would bankrupt the country and would double the cost.

The best thing to do is to look at the record of Mr. Ford's administration and Mr. Nixon's before his.

We had last year a \$65 billion deficit, the largest deficit in the history of our country, more of a deficit spending than we had in the entire 8-year period under President Johnson and President Kennedy. We've got 500,000 more Americans out of jobs today than were out of work 3 months ago. And since Mr. Ford has been in office, in 2 years we've had a 50-percent increase in unemployment, from 5 million people out of work to 2½ million more people

out of work, or a total of $7\frac{1}{2}$ million. We've also got a comparison between himself and Mr. Nixon. He's got four times the size of the deficits that Mr. Nixon even had himself.

This talking about more people at work is distorted because with the 14-percent increase in the cost of living in the last 2 years, it means that women and young people have had to go to work when they didn't want to because their fathers couldn't make enough to pay the increased cost of food and housing and clothing.

We have, in this last 2 years alone, \$120 billion total deficits under President Ford, and at the same time we've had in the last 8 years a doubling in the number of bankruptcies for small business. We've had a negative growth in our national economy, measured in real dollars. The take-home pay of a worker in this country is actually less now than it was in 1968, measured in real dollars. This is the kind of record that is there, and talk about the future and a drastic change or conversion on the part of Mr. Ford at the last minute is one that just doesn't go.

THE MODERATOR. Mr. Reynolds.

MR. REYNOLDS. Governor Carter, I'd like to turn to what we used to call the energy crisis.

Yesterday a British Government commission on air pollution, but one headed by a nuclear physicist, recommended that any further expansion of nuclear energy be delayed in Britain as long as possible. Now, this is a subject that is quite controversial among our own people, and there seems to be a clear difference between you and the President on the use of nuclear powerplants, which you say you would use as a last priority. Why, sir? Are they unsafe?

MR. CARTER. Well, among my other experiences in the past I've been a nuclear engineer, and I did graduate work in this field. I think I know the capabilities and limitations of atomic power.

But the energy policy of our Nation is one that has not yet been established under this administration. I think almost every other developed nation in the world has an energy policy except us.

We have seen the Federal Energy Agency [Administration] established, for instance, in the crisis of 1973. It was supposed to be a temporary agency; now it's permanent. It's enormous; it's growing every day. And I think the Wall Street Journal reported not too long ago they have 112 public relations experts working for the Federal Energy Agency [Administration] to try to justify to the American people its own existence.

We've got to have a firm way to handle the energy question. The reorganiza-

tion proposal that I've put forward is one first step. In addition to that, we need to have a realization that we've got about 35 years worth of oil left in the whole world. We are going to run out of oil. When Mr. Nixon made his famous speech on operation independence, we were importing about 35 percent of our oil. Now we've increased that amount 25 percent. We now import about 44 percent of our oil.

We need a shift from oil to coal. We need to concentrate our research and development effort on coalburning and extraction that's safe for miners, that also is clean burning. We need to shift very strongly toward solar energy and have strict conservation measures and then, as a last resort only, continue to use atomic power.

I would certainly not cut out atomic power altogether. We can't afford to give up that opportunity until later. But to the extent that we continue to use atomic power, I would be responsible as President to make sure that the safety precautions were initiated and maintained. For instance, some that have been forgotten: We need to have the reactor core below ground level, the entire powerplant that uses atomic power tightly sealed, and a heavy vacuum maintained. There ought to be a standardized design. There ought to be a full-time atomic energy specialist, independent of the power company, in the control room full-time, 24 hours a day, to shut down a plant if an abnormality develops. These kinds of procedures, along with evacuation procedures, adequate insurance, ought to be initiated.

So, shift from oil to coal; emphasize research and development on coal use and also on solar power; strict conservation measures—not yield every time the special interest groups put pressure on the President, like this administration has done; and use atomic energy only as a last resort with the strictest possible safety precautions. That's the best overall energy policy in the brief time we have to discuss it.

MR. REYNOLDS. Well, Governor, on the same subject, would you require mandatory conservation efforts to try to conserve fuel?

MR. CARTER. Yes, I would. Some of the things that can be done about this is a change in the rate structure of electric power companies. We now encourage people to waste electricity by giving the lowest rates to the biggest users. We don't do anything to cut down on peak load requirements. We don't have an adequate requirement for the insulation of homes, for the efficiency of automobiles. And whenever the automobile manufacturers come forward and say they can't meet the limits that the Congress has put forward, this Republican administration has delayed the implementation dates.

In addition to that, we ought to have a shift to the use of coal, particularly in the Appalachian regions where the coal is located—a lot of very high-quality, low-carbon coal—I mean low-sulfur coal is there—it's where our employment is needed. This would help a great deal.

So, mandatory conservation measures, yes. Encouragement by the President for people to voluntarily conserve, yes. And also the private sector ought to be encouraged to bring forward to the public the benefits from efficiency. One bank in Washington, for instance, gives lower interest loans for people who adequately insulate their homes or who buy efficient automobiles. And some major manufacturing companies, like Dow Chemical, have, through very effective efficiency mechanisms, cut down the use of energy by as much as 40 percent with the same out-product.

These kind of things ought to be done; they ought to be encouraged and supported and even required by the Government, yes.

THE MODERATOR. President Ford.

THE PRESIDENT. Governor Carter skims over a very serious and a very broad subject. In January of 1975, I submitted to the Congress and to the American people the first comprehensive energy program recommended by any President. It called for an increase in the production of energy in the United States. It called for conservation measures so that we would save the energy that we have.

If you are going to increase domestic oil and gas production—and we have to—you have to give to those producers an opportunity to develop their land or their wells. I recommended to the Congress that we should increase coal production in this country from 600 million tons a year to 1,200 million tons by 1985. In order to do that, we have to improve our extraction of coal from the ground; we have to improve our utilization of coal, make it more efficient, make it cleaner.

In addition, we have to expand our research and development. In my program for energy independence, we have increased, for example, solar energy research from about \$84 million a year to about \$120 million a year. We are going as fast as the experts say we should. In nuclear power we have increased the research and development under the Energy Research and Development Agency [Administration] very substantially to ensure that our nuclear powerplants are safer, that they are more efficient, and that we have adequate safeguards.

I think you have to have greater oil and gas production, more coal production, more nuclear production, and in addition, you have to have energy conservation.

THE MODERATOR. Mr. Gannon.

MR. GANNON. Mr. President, I'd like to return for a moment to this problem of unemployment. You have vetoed or threatened to veto a number of jobs bills passed or in development in the Democratic-controlled Congress. Yet, at the same time, the Government is paying out, I think it is, \$17 billion, perhaps \$20 billion, a year in unemployment compensation caused by the high unemployment. Why do you think it is better to pay out unemployment compensation to idle people than to put them to work in public service jobs?

THE PRESIDENT. The bills that I've vetoed, the one for an additional \$6 billion was not a bill that would have solved our unemployment problems. Even the proponents of it admitted that no more than 400,000 jobs would be made available. Our analysis indicates that something in the magnitude of about 150 to 200,000 jobs would be made available. Each one of those jobs would have cost the taxpayer \$25,000. In addition, the jobs would not be available right now; they would not have materialized for about 9 to 18 months.

The immediate problem we have is to stimulate our economy now so that we can get rid of unemployment. What we have done is to hold the lid on spending in an effort to reduce the rate of inflation. And we have proven, I think very conclusively, that you can reduce the rate of inflation and increase jobs.

For example, as I have said, we have added some 4 million jobs in the last 17 months. We have now employed 88 million people in America—the largest number in the history of the United States. We've added 500,000 jobs in the last 2 months.

Inflation is the quickest way to destroy jobs. And by holding the lid on Federal spending, we have been able to do a good job, an affirmative job in inflation and, as a result, have added to the jobs in this country.

I think it's also appropriate to point out that through our tax policies we have stimulated added employment throughout the country—the investment tax credit, the tax incentives for expansion and modernization of our industrial capacity. It's my opinion that the private sector, where five out of the six jobs are, where you have permanent jobs with the opportunity for advancement, is a better place than make-work jobs under the program recommended by the Congress.

MR. GANNON. Just to follow up, Mr. President, the Congress has just passed a \$3.7 billion appropriation bill which would provide money for the public works jobs program that you earlier tried to kill by your veto of the authorization legislation.

In light of the fact that unemployment again is rising or has in the past 3

months, I wonder if you have rethought that question at all, whether you would consider allowing this program to be funded, or will you veto that money bill?

THE PRESIDENT. Well, that bill has not yet come down to the Oval Office so I am not in a position to make any judgment on it tonight. But that is an extra \$4 billion that would add to the deficit, which would add to the inflationary pressures, which would help to destroy jobs in the private sector, not make jobs where the jobs really are. These make-work, temporary jobs, dead end as they are, are not the kind of jobs that we want for our people.

I think it's interesting to point out that in the 2 years that I've been President, I've vetoed 56 bills. Congress has sustained 42 vetoes. As a result we have saved over \$9 billion in Federal expenditures. And the Congress—by overriding the bills that I did veto—the Congress has added some \$13 billion to the Federal expenditures and to the Federal deficit.

Now, Governor Carter complains about the deficits that this administration has had, and yet he condemns the vetoes that I have made that have saved the taxpayer \$9 billion and could have saved an additional \$13 billion. Now, he can't have it both ways. And, therefore, it seems to me that we should hold the lid as we have to the best of our ability so we can stimulate the private economy and get the jobs where the jobs are—five out of six—in this economy.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, Mr. Ford doesn't seem to put into perspective the fact that when 500,000 more people are out of work then there were 3 months ago, where we have 2½ million more people out of work than were when he took office, that this touches human beings.

I was in a city in Pennsylvania not too long ago near here, and there were about 4,000 or 5,000 people in the audience—it was on a train trip—and I said, "How many adults here are out of work?" About a thousand raised their hands.

Mr. Ford actually has fewer people now in the private sector in nonfarm jobs than when he took office, and still he talks about a success; 7.9 percent unemployment is a terrible tragedy in this country.

He says he has learned how to match unemployment with inflation. That's right. We've got the highest inflation we've had in 25 years right now—except under this administration—and that was 50 years ago—and we've got the highest unemployment we've had under Mr. Ford's administration since the Great Depression. This affects human beings. And his insensitivity in providing those people a chance to work has made this a welfare administration and not a work administration.

He hasn't saved \$9 billion with his vetoes. It has only been a net saving of \$4

billion. And the cost in unemployment compensation, welfare compensation, and lost revenues has increased \$23 billion in the last 2 years. This is a typical attitude that really causes havoc in people's lives. And then it's covered over by saying that our country has naturally got a 6-percent unemployment rate or 7-percent unemployment rate and a 6-percent inflation. It's a travesty. It shows a lack of leadership. And we've never had a President since the War Between the States that vetoed more bills. Mr. Ford has vetoed four times as many bills as Mr. Nixon, per year, and 11 of them have been overridden. One of his bills that was overridden—he only got one vote in the Senate and seven votes in the House from Republicans. So, this shows a breakdown in leadership.

THE MODERATOR. Governor Carter, under the rules I must stop you.

Mrs. Drew.

MS. DREW. Governor Carter, I'd like to come back to the subject of taxes. You have said that you want to cut taxes for the middle- and lower-income groups.

MR. CARTER. Right.

MS. DREW. But unless you are willing to do such things as reduce the itemized deductions for charitable contributions or home mortgage payments or interest or taxes or capital gains, you can't really raise sufficient revenue to provide an overall tax cut of any size. So, how are you going to provide that tax relief that you are talking about?

MR. CARTER. Now we have such a grossly unbalanced tax system, as I said earlier, that it is a disgrace. Of all the tax benefits now, 25 percent of them go to the 1 percent of the richest people in this country. Over 50 percent—53 to be exact—percent of the tax benefits go to the 14 percent richest people in this country.

We've had a 50-percent increase in payroll deductions since Mr. Nixon went in office 8 years ago. Mr. Ford has advocated, since he has been in office, over \$5 billion in reductions for corporations, special interest groups, and the very, very wealthy, who derive their income not from labor, but from investments.

That has got to be changed. A few things that can be done: We have now a deferral system so that the multinational corporations, who invest overseas, if they make \$1 million in profits overseas, they don't have to pay any of their taxes unless they bring their money back into this country. Where they don't pay their taxes, the average American pays their taxes for them. Not only that but it robs this country of jobs because instead of coming back with that million dollars and creating a shoe factory, say, in New Hampshire or Vermont, if the company takes the money down to Italy and builds a shoe factory, they don't have to pay any taxes on the money.

Another thing is a system called DISC [Domestic International Sales Corporation], which was originally designed and proposed by Mr. Nixon, to encourage exports. This permits a company to create a dummy corporation to export their products and then not to pay the full amount of taxes on them. This costs our Government about \$1.4 billion a year, and when those rich corporations don't pay that tax, the average American taxpayer pays it for them.

Another one that is very important is the business deductions. Jet airplanes, first-class travel, the \$50 martini lunch—the average working person can't take advantage of that, but the wealthier people can.

Another system is where a dentist can invest money in, say, raising cattle and can put in \$100,000 of his own money, borrow \$900,000—\$900,000, that makes a million—and mark off a great amount of loss through that procedure. There was one example, for instance, where somebody produced pornographic movies. They put in \$30,000 of their own money and got \$120,000 in tax savings.

These special kinds of programs have robbed the average taxpayer and have benefited those who are powerful and who can employ lobbyists and who can have their C.P.A.'s and their lawyers to help them benefit from the roughly 8,000 pages of the tax code. The average American person can't do it. You can't hire a lobbyist out of unemployment compensation checks.

Ms. DREW. Governor, to follow up on your answer, in order for any kind of tax relief to really be felt by the middle- and lower-income people, according to congressional committees on this, you need about \$10 billion. Now, you listed some things. The deferral on foreign income is estimated it would save about \$500 million. DISC, you said, was \$1.4 billion. The estimate of the outside, if you eliminated all tax shelters, is \$5 billion.

So, where else would you raise the revenue to provide this tax relief? Would you, in fact, do away with all business deductions, and what other kinds of preferences would you do away with?

MR. CARTER. No, I wouldn't do away with all business deductions. I think that would be a very serious mistake. But if you could just do away with the ones that are unfair, you could lower taxes for everyone. I would never do anything that would increase the taxes for those who work for a living or who are presently required to list all their income.

What I want to do is not to raise taxes, but to eliminate loopholes. And this is the point of my first statistic that I gave you, that the present tax benefits that have been carved out over a long period of years—50 years—by sharp tax lawyers and by lobbyists, have benefited just the rich. These programs that I described to you earlier—the tax deferrals for overseas, the DISC, and the tax

shelters—they only apply to people in the \$50,000-a-year bracket or up. And I think this is the best way to approach it, is to make sure that everybody pays taxes on the income that they earn and make sure that you take whatever savings there is from the higher income levels and give it to the lower- and middle-income families.

THE MODERATOR. President Ford.

THE PRESIDENT. Governor Carter's answer tonight does not coincide with the answer that he gave in an interview to the Associated Press a week or so ago. In that interview Governor Carter indicated that he would raise the taxes on those in the medium- or middle-income brackets or higher. Now, if you take the medium- or middle-income taxpayer—that's about \$14,000 per person—Governor Carter has indicated, publicly, in an interview, that he would increase the taxes on about 50 percent of the working people of this country.

I think the way to get tax equity in this country is to give tax relief to the middle-income people who have an income from roughly \$8,000 up to \$25 or \$30,000. They have been shortchanged as we have taken 10 million taxpayers off the tax rolls in the last 8 years and as we have added to the minimum tax provision to make all people pay more taxes.

I believe in tax equity for the middle-income taxpayer—increasing the personal exemption. Mr. Carter wants to increase taxes for roughly half of the taxpayers of this country.

Now, the Governor has also played a little fast and loose with the facts about vetoes. The records show that President Roosevelt vetoed on an average of 55 bills a year. President Truman vetoed on the average, while he was President, about 38 bills a year. I understand that Governor Carter, when he was Governor of Georgia, vetoed between 35 and 40 bills a year. My average in 2 years is 26, but in the process of that, we have saved \$9 billion.

And one final comment. Governor Carter talks about the tax bills and all of the inequities that exist in the present law. I must remind him the Democrats have controlled the Congress for the last 22 years, and they wrote all the tax bills.

THE MODERATOR. Mr. Reynolds.

MR. REYNOLDS. I suspect that we could continue on this tax argument for some time, but I'd like to move on to another area.

Mr. President, everybody seems to be running against Washington this year, and I'd like to raise two coincidental events, then ask you whether you think perhaps this may have a bearing on the attitude throughout the country.

The House Ethics Committee has just now ended its investigation of Daniel Schorr, after several months and many thousands of dollars, trying to find out

how he obtained and caused to be published a report of the Congress that probably is the property of the American people. At the same time the Senate Select Committee on Standards and Conduct has voted not really to begin an investigation of a United States Senator because of allegations against him that he may have been receiving corporate funds illegally over a period of years.

Do you suppose, sir, that events like this contribute to the feeling in the country that maybe there is something wrong in Washington, and I don't mean just in the executive branch, but throughout the whole Government?

THE PRESIDENT. There is a considerable anti-Washington feeling throughout the country but I think the feeling is misplaced. In the 2 years we have restored integrity in the White House and we have set high standards in the executive branch of the Government.

The anti-Washington feeling, in my opinion, ought to be focused on the Congress of the United States. For example, this Congress very shortly will spend a billion dollars a year for its housekeeping, its salaries, its expenses, and the like. The next Congress will probably be the first billion dollar Congress in the history of the United States. I don't think the American people are getting their money's worth from the majority party that runs this Congress.

We, in addition, see that in the last 4 years the number of employees hired by the Congress has gone up substantially, much more than the gross national product, much more than any other increase throughout our society. Congress is hiring people by the droves, and the cost, as a result, has gone up.

And I don't see any improvement in the performance of the Congress under the present leadership. So, it seems to me, instead of the anti-Washington feeling being aimed at everybody in Washington, it seems to me that the focus should be where the problem is, which is the Congress of the United States, and particularly the majority in the Congress.

They spend too much money on themselves. They have too many employees. There is some question about their morality. It seems to me that in this election the focus should not be on the executive branch, but the correction should come as the voters for their Members of the House of Representatives or for their United States Senator. That's where the problem is. And I hope there will be some corrective action taken, so we can get some new leadership in the Congress of the United States.

MR. REYNOLDS. Mr. President, if I may follow up, I think you have made it plain that you take a dim view of the majority in the Congress. Isn't it quite likely, sir, that you will have a Democratic Congress in the next session if you

are elected President, and hasn't the country a right to ask whether you can get along with that Congress or whether we will have continued confrontation?

THE PRESIDENT. Well, it seems to me that we have a chance, the Republicans, to get a majority in the House of Representatives. We will make some gains in the United States Senate. So there will be different ratios in the House as well as in the Senate, and as President I will be able to work with that Congress.

But let me take the other side of the coin, if I might. Supposing we had had a Democratic Congress for the last 2 years and we had had Governor Carter as President. He has, in effect, said that he would agree with all of—he would disapprove of the vetoes that I have made and would have added significantly to expenditures and the deficit in the Federal Government. I think it would be contrary to one of the basic concepts in our system of government, a system of checks and balances.

We have a Democratic Congress today, and fortunately, we've had a Republican President to check their excesses with my vetoes. If we have a Democratic Congress next year and a President who wants to spend an additional \$100 billion a year or maybe \$200 billion a year, with more programs, we will have, in my judgment, greater deficits with more spending, more dangers of inflation.

I think the American people want a Republican President to check on any excesses that come out of the next Congress if it is a Democratic Congress.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, it's not a matter of Republican and Democrat; it's a matter of leadership or no leadership. President Eisenhower worked with a Democratic Congress very well. Even President Nixon, because he was a strong leader, at least, worked with a Democratic Congress very well.

Mr. Ford has vetoed, as I said earlier, four times as many bills per year as Mr. Nixon. Mr. Ford quite often puts forward a program just as a public relations stunt and never tries to put it through the Congress by working with the Congress. I think under President Nixon and Eisenhower—they passed about 60 to 75 percent of their legislation. This year Mr. Ford will not pass more than 26 percent of all the legislative proposals he puts forward.

This is government by stalemate. And we've seen almost a complete breakdown in the proper relationship between the President, who represents this country, and the Congress, who, collectively, also represent this country.

We've had Republican Presidents before who have tried to run against a Democratic Congress. And I don't think it's—the Congress is Mr. Ford's opponent. But if he insists that I be responsible for the Democratic Congress, of which I have not been a part, then I think it's only fair that he be responsible for the

Nixon administration in its entirety, of which he was a part. That, I think, is a good balance.

But the point is that a President ought to lead this country. Mr. Ford, so far as I know, except for avoiding another Watergate, has not accomplished one single major program for his country. And there has been a constant squabbling between the President and the Congress, and that's not the way this country ought to be run.

I might go back to one other thing. Mr. Ford has misquoted an AP news story that was in error to begin with. That story reported several times that I would lower taxes for lower- and middle-income families, and that correction was delivered to the White House. And I am sure that the President knows about this correction, but he still insists on repeating an erroneous statement.

THE MODERATOR. President Ford, Governor Carter, we no longer have enough time for two complete sequences of questions. We have only about 6 minutes left for questions and answers. For that reason we will drop the follow-up questions at this point, but each candidate will still be able to respond to the other's answers.

To the extent that you can, gentlemen, please keep your remarks brief.

MR. GANNON. Governor Carter, one important part of the Government's economic policy apparatus we haven't talked about is the Federal Reserve Board. I would like to ask you something about what you have said, and that is that you believe that a President ought to have a Chairman of the Federal Reserve Board whose views are compatible with his own.

Based on the record of the last few years, would you say that your views are compatible with those of Chairman Arthur Burns, and if not, would you seek his resignation if you are elected?

MR. CARTER. What I have said is that the President ought to have a chance to appoint the Chairman of the Federal Reserve Board to have a coterminus term; in other words, both of them serve the same 4 years.

The Congress can modify the supply of money by modifying the income tax laws. The President can modify the economic structure of the country by public statements and general attitudes and the budget that he proposes. The Federal Reserve has an independent status that ought to be preserved.

I think that Mr. Burns did take a typical erroneous Republican attitude in the 1973 year when inflation was so high. He assumed that the inflation rate was because of excessive demand and, therefore, put into effect tight constraint on the economy, very high interest rates—which is typical, also, of a Republican administration—tried to increase the tax payments by individuals, cut the tax

payments by corporations. I would have done it opposite. I think the problem should have been addressed by increasing productivity, by having put people back to work so they could purchase more goods, lower income taxes on individuals, perhaps raise them if necessary on corporations in comparison. But Mr. Burns in that respect made a very serious mistake.

I would not want to destroy the independence of the Federal Reserve Board. But I do think we ought to have a cohesive economic policy with at least the Chairman of the Federal Reserve Board and the President's terms being the same and letting the Congress of course be the third entity with independence, subject only to the President's veto.

THE MODERATOR. President Ford, your response.

THE PRESIDENT. The Chairman of the Federal Reserve Board should be independent. Fortunately, he has been during Democratic as well as Republican administrations. As a result, in the last 2 years we have had a responsible monetary policy.

The Federal Reserve Board indicated that the supply of money would be held between 4 to 4½ and 7 and 7½. They have done a good job in integrating the money supply with the fiscal policy of the executive and legislative branches of the Government.

It would be catastrophic if the Chairman of the Federal Reserve Board became the tool of the political party that was in power. It's important for our future economic security that that job be nonpolitical and separate from the executive and the legislative branches.

THE MODERATOR. Mrs. Drew.

MS. DREW. Mr. President, the real problem with the FBI—in fact, all of the intelligence agencies—is there are no real laws governing them. Such laws as there are tend to be vague and open-ended. Now, you have issued some Executive orders, but we have learned that leaving these agencies to executive discretion and direction can get them and in fact the country in a great deal of trouble. One President may be a decent man, the next one might not be.

So, what do you think about trying to write in some more protection by getting some laws governing these agencies?

THE PRESIDENT. You are familiar, of course, with the fact that I am the first President in 30 years who has reorganized the intelligence agencies in the Federal Government—the CIA, the Defense Intelligence Agency, the National Security Agency, and the others. We've done that by Executive order. And I think we've tightened it up; we've straightened out their problems that de-

veloped over the last few years. It doesn't seem to me that it's needed or necessary to have legislation in this particular regard.

I have recommended to the Congress, however—I'm sure you are familiar with this—legislation that would make it very proper and in the right way that the Attorney General could go in and get the right for wiretapping under security cases. This was an effort that was made by the Attorney General and myself working with the Congress. But even in this area where I think new legislation would be justified, the Congress has not responded.

So, I feel in that case as well as in the reorganization of the intelligence agencies—as I've done—we have to do it by Executive order. And I'm glad that we have a good Director in George Bush; we have good Executive orders. And the CIA and the DIA and NSA are now doing a good job under proper supervision.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, one of the very serious things that's happened in our Government in recent years and has continued up until now is a breakdown in the trust among our people in the——

[At this point, there was an audio failure which caused a delay in the debate until 11:18 p.m.]

THE MODERATOR. Ladies and gentlemen, probably it is not necessary for me to say that we had a technical failure during the debates. It was not a failure in the debate; it was a failure in the broadcasting of the debate. It occurred 27 minutes ago. The fault has been dealt with, and we want to thank President Ford and Governor Carter for being so patient and understanding while this delay went on.

We very much regret the technical failure that lost the sound as it was leaving the theatre. It occurred during Governor Carter's response to what would have been and what was the last question put to the candidates. That question went to President Ford. It dealt with the control of Government intelligence agencies. Governor Carter was making his response and had very nearly finished it. He will conclude that response now, after which President Ford and Governor Carter will make their closing statements.

MR. CARTER. There has been too much Government secrecy and not enough respect for the personal privacy of American citizens.

THE MODERATOR. It is now time for the closing statements which are to be up to 4 minutes long.

Governor Carter, by the same toss of the coin that directed the first question to you, you are to go first now.

MR. CARTER. Well, tonight, we've had a chance to talk a lot about the past, but I think it is time to talk about the future. Our Nation in the last 8 years has been divided as never before. It's a time for unity. It is time to draw ourselves together, to have a President and a Congress that can work together with mutual respect for a change, cooperating for a change, in the open for a change, so the people can understand their own Government. It is time for Government, industry and labor, manufacturing, agriculture, education, other entities in our society to cooperate. And it's a time for Government to understand and to cooperate with our people.

For a long time our American citizens have been excluded, sometimes misled, sometimes have been lied to. This is not compatible with the purpose of our Nation. I believe in our country. It needs to be competent, the Government needs to be well managed, efficient, economical. We need to have a Government that's sensitive to our people's needs, to those who are poor, who don't have adequate health care, who have been cheated too long by our tax programs, who've been out of jobs, whose families have been torn apart. We need to restore the faith and the trust of the American people in their own Government.

In addition to that, we've suffered because we haven't had leadership in this administration. We have got a Government of stalemate. We've lost the vision of what our country can and ought to be. This is not the America that we've known in the past. It's not the America that we have to have in the future.

I don't claim to know all the answers, but I've got confidence in my country. Our economic strength is still there. Our system of government, in spite of Vietnam, Cambodia, CIA, Watergate, is still the best system of government on Earth. And the greatest resource of all are the 215 million Americans who still have within us the strength, the character, the intelligence, the experience, the patriotism, the idealism, the compassion, the sense of brotherhood on which we can rely in the future to restore the greatness to our country.

We ought not to be excluded from our Government anymore. We need a President that can go in who derives his strength from the people. I owe the special interests nothing. I owe everything to you, the people of this country. And I believe that we can bind our wounds. I believe that we can work together. And I believe that if we can tap the tremendous untapped reservoir of innate strength in this country, that we can once again have a Government as good as our people and let the world know what we still know and hope for—that we still live in the greatest and the strongest and the best country on Earth.

THE MODERATOR. President Ford.

THE PRESIDENT. On November 2 all of you will make a very, very important decision. One of the major issues in this campaign is trust. A President should never promise more than he can deliver, and a President should always deliver everything that he has promised. A President can't be all things to all people. A President should be the same thing to all people.

Another issue in this campaign: Governor Carter has endorsed the Democratic platform, which calls for more spending, bigger deficits, more inflation, or more taxes. Governor Carter has embraced the record of the present Congress, dominated by his political party. It calls for more of the same. Governor Carter in his acceptance speech called for more and more programs, which means more and more Government. I think the real issue in this campaign—and that which you must decide on November 2—is whether you should vote for his promises or my performance in 2 years in the White House.

On the Fourth of July, we had a wonderful 200th birthday for our great country. It was a superb occasion. It was a glorious day.

In the first century of our Nation's history, our forefathers gave us the finest form of government in the history of mankind. In the second century of our Nation's history, our forefathers developed the most productive industrial nation in the history of the globe. Our third century should be the century of individual freedom for all our 215 million Americans today and all that join us.

In the last few years government has gotten bigger and bigger; industry has gotten larger and larger; labor unions have gotten bigger and bigger; and our children have been the victims of mass education.

We must make this next century the century of the individual. We should never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

The individual worker in the plants throughout the United States should not be a small cog in a big machine. The member of a labor union must have his rights strengthened and broadened, and our children in their education should have an opportunity to improve themselves based on their talents and their abilities.

My mother and father, during the Depression, worked very hard to give me an opportunity to do better in our great country. Your mothers and fathers did the same thing for you and others. Betty and I have worked very hard to give our children a brighter future in the United States, our beloved country. You and others in this great country have worked hard and done a great deal to give your children and your grandchildren the blessings of a better America.

I believe we can all work together to make the individuals in the future have more, and all of us working together can build a better America.

THE MODERATOR. Thank you, President Ford. Thank you, Governor Carter. Our thanks also to the questioners and to the audience in this theatre. We much regret the technical failure that caused a 28-minute delay in the broadcast of the debate. We believe, however, that everyone will agree that it did not detract from the effectiveness of the debate or from its fairness.

The next Presidential debate is to take place on Wednesday, October 6, in San Francisco, at 9:30 p.m., eastern daylight time. The topics are to be foreign and defense issues. As with all three debates between the Presidential candidates and the one between the Vice-Presidential candidates, it is being arranged by the League of Women Voters Education Fund in the hope of promoting a wider and better informed participation by the American people in the election in November.

Now, from the Walnut Street Theatre in Philadelphia, good night.

NOTE: The debate began at 9:31 p.m. at the Walnut Street Theatre in Philadelphia, Pa. It was broadcast live on radio and television.

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Remarks at a President Ford Committee Reception in Philadelphia. *September 23, 1976*

Senator Schweiker, my distinguished friends on the platform, all of you wonderful people from Pennsylvania, Delaware, and New Jersey:

On July 4 I was in Philadelphia to participate in our Bicentennial birthday anniversary. I came back to Philadelphia today for a new experience. I didn't come back to write history; I came back to talk about what we're going to do to make a better America in the next 4 years under a Ford administration.

Q. [*Inaudible*].

THE PRESIDENT. I don't know, because I haven't seen all of the polls, but from what I've heard we did all right in that debate. And when we get to the next one, which talks about national defense and foreign policy, we'll do even better.

We have a turning point in this campaign. The polls are going our way, the momentum is on our side. The basic reason is that in the last 2 years, under most difficult circumstances, we have done a good job for America, and in the next 4 years we will do a better job.

The issues are with us. The American people know that we have established a base for a healthy, prosperous economy. The American people know that we

have achieved the peace and that we have the military skill and the diplomatic capability to keep the peace. They know that we have restored trust in the White House. The American people want 4 more years of Ford.

Pennsylvania, New Jersey, and Delaware are key States. We want to win those States and all 47 other States, and we're going to do it.

Thank you all for what you have done, thank you for what you are doing, and thank you for what you are going to do. We'll win November 2.

NOTE: The President spoke at 11:53 p.m. in the Grand Ballroom at the Bellevue Stratford Hotel. The reception was sponsored by the Pennsylvania, New

Jersey, and Delaware President Ford Committees.

In his opening remarks, the President referred to Senator Richard S. Schweiker of Pennsylvania.

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Remarks at the National Quadrennial Convention of the Polish-American Congress in Philadelphia.

September 24, 1976

Your Excellence Cardinal Krol, Senator Schweiker, Congressman John Heinz distinguished guests, ladies and gentlemen:

I feel great. How do you feel this morning?

I am greatly honored by your invitation to address the convention of the Polish-American Congress, and I am mighty proud to be here, not just as President but as a friend of American Polonia.

It has been the policy of mine—and the policy of my administration—to listen carefully to the voice of Polish America. When it comes to sacrifice and achievement, you have given more, far more than your share in making this the greatest country in the history of mankind.

Fifty-eight years ago another Polish-American conference was addressed by the great patriot, Jan Paderewski. His feats as an orator were no less stunning than his genius as a musician and as the leader of the Polish-American people. His address to his audience, in Polish, for over 2½ hours—I will not try to emulate that performance—however, let me repeat a few of Paderewski's comments and observations. He said, and I quote, "The Poles in America do not need any Americanization. It is superfluous to explain to them what are the ideals of America. They know very well, for they have been theirs for 1,000 years."

Another Polish-American leader put the same thought this way. "I feel I am 200 percent American because I am 100 percent Pole."

Much of what America celebrates in its Bicentennial Year we owe to Polish Americans. Before the Pilgrims even landed at Plymouth, Poles had already first built the first factory in America in the colony at Jamestown. Poles had already pioneered American civil liberties, demanding and receiving from the Virginia colony a voice in their own government.

For more than three and a half centuries, Polish Americans have been working hard to build a better life for themselves and for their children. You have been soldiers and settlers, teachers and clergymen, scientists, craftsmen and artists. You have earned a distinguished place in the New World as your ancestors did in the old.

Yet today, you are troubled. You look abroad and see friends and relatives who do not fully share your freedom in America. You look at home and see too many of your neighborhoods deteriorating. I share your deep concern, and I am also troubled.

But there is much we can do, as much as we have been doing, both at home and abroad. In the first 2 years of this administration, I have worked hard to build a positive and expanding relationship with the people and the Government of Poland. A powerful motivation for that policy has been the knowledge that for many, many Americans, Poland is the home of their ancestors and their relatives.

I have sought to tie our countries closer together economically and culturally. In the last 2 years, trade between our countries has almost doubled. For America, that means more jobs and more production. For Poland, that means a higher standard of living and greater exposure to the American way of life.

A valuable worker in this important task has been the head of the Small Business Administration, Mitch Kobelinski. Last week in Washington, I met with Mitch. He told me personally how badly he wanted to be here this weekend, but this week he is in Poland discussing how and by what means we can expand trade between our two peoples.

My own meetings with Polish officials in Washington, in 1974, and in Warsaw and Krakow, in 1975, have led to a better understanding between our two countries. In 1974, we signed a Joint Statement of Principles of Polish-American Relations. In that statement, I reaffirmed for the United States the importance we attach to a sovereign and independent Poland. That statement was a part of a broader policy I have advocated throughout my entire life.

The United States must continue to support by every peaceful and proper means the aspirations for freedom and national independence of peoples of Eastern Europe. As I have said many times before, as I told a group of Polish-

American leaders at the White House just 2 weeks ago, the so-called Sonnenfeldt doctrine ¹ never did exist and does not exist. The United States is totally opposed to spheres of influence belonging to any power. That policy is fundamental to our relationship with Poland, and that policy will continue as long as I am President of the United States.

In my several meetings with Polish leaders, I also stress the importance that all Americans attach to humanitarian issues. People everywhere should have the right to express themselves freely. People everywhere should have the right to emigrate and travel freely. People everywhere should have the right to be united with their families. I will continue to see that humanitarian matters are treated with the highest priority not only in our relationships with Poland but with the rest of the world.

If we are to keep the respect throughout the world that the United States has today and must maintain, we must keep America strong. We must make sure that America not only has strong defenses but a strong heart. Polish Americans know what it means to be strong. Many of your families came here without material wealth. In the countryside you cleared the land and made productive farms. In the cities you built neighborhoods you could be proud of. You built and paid for your own churches. You built your own schools and financial institutions. You built orphanages for the young and hospitals for the aged. You built your own institutions, the great fraternal organizations represented here today.

We must ensure that what you have done, what you have earned, what you have built, will be here for your children to enjoy—these wonderful young people here on this podium and in this hall. We must ensure that your families will have the neighborhoods they need to build a decent life of their own.

A family needs a neighborhood that is safe. A family needs a neighborhood that is stable. A family needs a neighborhood with local churches, local shops, and local schools.

Some of the healthiest neighborhoods in our cities are Polish-American neighborhoods, but today too many neighborhoods are threatened by urban decay. You are paying a terrible price in lost property values—property you worked hard to buy and maintain and that you love.

In cities like Philadelphia, Detroit, Chicago, too many young men and women are finding it impossible to remain in the neighborhoods where they were raised. Too many parents are forced to watch helplessly as all they have worked and saved to build up is eaten away. This does not have to happen. I will continue to do everything in my power to see to it that it does not happen.

¹ Helmut Sonnenfeldt, Counselor for the State Department.

On the first day of this year, I signed into law the Mortgage Disclosure Act to prevent redlining and neighborhood decline. Last month, I met with the ethnic leaders to see what more we could do. As a result of that meeting, I created the President's Committee on Urban Development and Neighborhood Revitalization. I charged that Committee with developing a sound Federal policy to help preserve our neighborhoods. That policy will be based on local initiative and local control.

Revitalizing our neighborhoods will help preserve your investments in your homes, your churches, and your community facilities. It will help keep families together; it will help keep America together. America itself is a wonderful family. We must keep that family close—closer in the future than it has been in the past.

As a young boy in Grand Rapids, Michigan, I was very fortunate to have as close friends Americans from many backgrounds. In high school I was lucky. I worked as a part-time waiter and a dishwasher in a restaurant owned by a man named Bill Skouges, who was of Greek descent. That was in 1929 and 1930, when jobs and money were not easy to come by. I earned \$2 a week and my lunches, and Bill Skouges earned my admiration and affection and respect.

As a young Congressman, my first administrative assistant was my long and dear friend John Milonowski, who is, incidentally, running for probate judge out there, and let's get him elected. John and I worked together for many, many years, and on my recommendation he became our United States District Attorney in the Western District of Michigan. I was proud of the job he did, and it earns him the opportunity to be one of our three probate judges in the city of Grand Rapids.

But, as President of all of the people, I am determined that every voice in the American family must be heard. The voice of American Polonia will be listened to because all of us are proud of the red, white, and blue. We should be proud of the great heritage of the red and white.

Thank you very, very much.

NOTE: The President spoke at 10:35 a.m. in the Crystal Ballroom at the Benjamin Franklin Hotel. In his opening remarks, he referred to John Cardinal Krol, archbishop of Philadelphia, and Senator

Richard S. Schweiker of Pennsylvania.

As printed above, this item follows the text of the White House press release.

806

Remarks During a Tour of Philadelphia's Italian Market.
September 24, 1976

GOOD MORNING. I feel great. I hope you feel the same way.

Let me thank everybody for the opportunity to come to this wonderful Italian Market. I have heard about it for years. I know political candidates have come here in the past, but I don't think a President of the United States has ever come down to visit all you wonderful people in the Italian Market. I thank you for your welcome. I do want to thank the students and others from St. Paul's and Mary Magdalene schools for being here.

Let me just make one or two comments that I think affect all of us as Americans. When I was very young, I was taught by my Sunday school teacher that the beauty of Joseph's coat was its many colors. The strength of America is its many colors and many nationalities, and we want to keep it that way.

I've had the privilege to visit many of our major metropolitan areas over the time that I have been President and before. We must retain the kind of neighborhoods that you and your forefathers have built in Philadelphia and Chicago and Detroit and elsewhere. Those neighborhoods—with your own shops, with your own schools, with your own churches—those are the kinds of neighborhoods that make America what it is, and I promise you we will keep them that way.

It's wonderful to be here with my good friend, John Heinz.¹ Let me say that working together with him and others, we will see that the great Commonwealth of Pennsylvania, the city of Philadelphia, and the United States will be better and better places for all of us to live in our third century of American history.

Thank you very much.

BYSTANDER. Mr. President, have you forgiven Senator Schweiker?

THE PRESIDENT. We have been good friends in the past, and we are in the future.

NOTE: The President spoke at 11:46 a.m.

¹ Representative John H. Heinz III of Pennsylvania.

807

Remarks on Diplomatic Negotiations in Southern Africa.
September 24, 1976

I AM very pleased to hear of the announcement today by [Prime Minister] Ian Smith of Rhodesia. On behalf of the Rhodesian authorities, he has accepted proposals that can head off an escalating conflict and should produce negotiations which can bring southern Africa closer to peace.

The United States is proud to have made a contribution, but we have not done so alone. The principles of the settlement set forth are based on the plan outlined by Prime Minister Callaghan on March 22. I wish to pay tribute to the Prime Minister and to the United Kingdom with whom we have closely cooperated. Farsighted and indispensable contributions were also made by the various African Presidents. I would like as well to acknowledge the constructive role played by Prime Minister Vorster of South Africa.

The road is now open for an African solution to an African problem—free of outside intervention, violence, and bitterness. This has been the objective of the United States and the purpose of the skillful and energetic diplomacy that we have pursued. We call on other nations to support, not impede, the African search for a peaceful settlement.

The United States is prepared to continue to help. We will not prescribe for the peoples of Africa what only they can bring about. But we will be available to lend our full support to the efforts of the British, the Rhodesians of both races, and the African States concerned.

It is my earnest hope that the several parties will now move swiftly to establish the conditions for independence in which all of its peoples can live together in harmony. Today we have seen an act of realism that is the first step toward that goal. With good will on all sides that vision can become a reality.

A threat to world peace has been eased. We can take satisfaction in the role we have played. I extend my best wishes to the peoples of Rhodesia and of all Africa. I call on all nations to help them shape a future of peace, prosperity, and human dignity.

NOTE: The President spoke at 4:32 p.m. to reporters assembled in the Briefing Room at the White House.

808

Veto of the Indian Employment Bill. September 24, 1976*To the House of Representatives:*

I am returning, without my approval, H.R. 5465, a bill which would provide special retirement benefits to certain non-Indian employees of the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS) who are adversely affected by Indian preference requirements.

I strongly support the objective of having Indians administer the Federal programs directly affecting them. I am familiar with and understand the concern of non-Indian employees of these agencies about their long-term career prospects because of Indian preference. But H.R. 5465 is the wrong way to deal with this problem.

This bill is designed to increase employment opportunities for Indians by providing special compensation to non-Indian employees in BIA and IHS who retire early. It seeks to accomplish this purpose by authorizing payment of extraordinary retirement benefits under certain conditions to non-Indian employees of these agencies who retire before 1986—benefits more liberal than those available to any other group of Federal employees under the civil service retirement system. I believe that this approach will result in inequities and added costs that far exceed the problem it is attempting to solve—a problem which is already being addressed through administrative actions by the agencies involved.

H.R. 5465 would provide windfall retirement benefits to a relatively small number of the non-Indian employees of these agencies. The Indian employees and other non-Indian employees in these same agencies would not receive these benefits. The eligible employees are not in danger of losing their jobs. Because they may face a limited outlook for promotion, the bill would pay these employees costly annuities even though they had completed substantially less than a full career. Payments could be made at age 50 after only 20 years of Federal service, of which as little as 11 years need be Indian-agency service. Their annuities would be equivalent to the benefits it would take the average Federal employee until age 60 and 27 years of service to earn.

This would seriously distort and misuse the retirement system to solve a problem of personnel management for which there are far more appropriate administrative solutions. The Departments of the Interior and Health, Education, and Welfare have established special placement programs to help non-

Indian employees who desire other jobs. I am asking the Chairman of the Civil Service Commission to make certain that those placement efforts are rigorously pursued with all agencies of the Federal Government.

Further, these Departments assure me that many non-Indian employees continue to have ample opportunity for full careers with Indian agencies if they so desire. Accordingly, H.R. 5465 represents an excessive, although well-motivated, reaction to the situation. Indian preference does pose a problem in these agencies, but it can and should be redressed without resort to costly retirement benefits.

I am not prepared, therefore, to accept the discriminatory and costly approach of H.R. 5465.

GERALD R. FORD

The White House,
September 24, 1976.

NOTE: The bill was referred to the House Post Office and Civil Service Committee on September 27, 1976.

809

Statement on the Observance of the Jewish High Holy Days. *September 24, 1976*

ON THE occasion of the High Holy Days, Mrs. Ford and I want to express special greetings to our fellow Americans of the Jewish faith.

The celebration of our Nation's Bicentennial has evoked in all Americans a deeper appreciation of our rich and varied ancestral legacy. We have been reminded in a special way that our national character has been shaped by the accumulated wisdom and experience of many nations and individuals.

It is only fitting that we express our pride in the indelible stamp of Jewish wisdom and experience on our way of life. This influence was strong and vital from the moment the American continent became a promised land of hope and opportunity. Our early settlers closely identified with the teachings of the Prophets and dedicated themselves in this spirit to building a land that would make the vision of the Prophets a reality.

This was the spirit that sparked our independence and sustained us through many difficult struggles on the way to becoming a nation. It is also the spirit that has sustained the Jewish people and brought about the creation of the modern state of Israel. It is the same spirit that marks the special friendship

of the American and Israeli people and guides us in our commitment to preserve the independence and security of both our lands.

American Jews can take satisfaction in their unsurpassed record of humanitarian concern, civil responsibility, and devotion to justice. As individuals, and through their organizations, they have worked tirelessly and unselfishly to live up to the faith of their fathers and the aspirations of the Founding Fathers of our country. With this in mind, Mrs. Ford and I extend our best wishes for a prosperous, satisfying, and happy New Year.

810

Statement on Signing the Postal Reorganization Act Amendments of 1976. *September 24, 1976*

I WELCOME the opportunity to sign H.R. 8603, the Postal Reorganization Act Amendments of 1976, because it represents the concerted efforts of the administration, the Congress, and the U.S. Postal Service to find a long-term solution to our postal problems.

This bill establishes a seven-member, blue ribbon Commission to study the broad range of problems confronting the United States Postal Service. The Commission will report to the administration and the Congress by March 15 of next year with its recommended solutions to these problems. During this period, there will be a moratorium on post office closings, rate increases, and service cutbacks.

To assure the maintenance of the current financial status of the postal system, this bill also authorizes financial assistance to the U.S. Postal Service for the purpose of reducing its accumulated operating debt.

I am pleased by the responsible and effective bipartisan cooperation that was evident in the drafting and passage of this legislation. Senator McGee of Wyoming, Senator Fong of Hawaii, and Congressmen Henderson of North Carolina, Derwinski of Illinois, Hanley of New York, and Johnson of Pennsylvania were especially helpful contributors to this effort.

No one pretends that this bill itself ensures the long-term solution to our postal problems—that will evolve over a period of time during and after completion of the Commission's study. But I believe this bill is a positive and constructive step toward that goal.

NOTE: As enacted, H.R. 8603, approved September 24, 1976, is Public Law 94-421 (90 Stat. 1303).

811

Veto of the Automotive Transport Research and Development Bill. September 24, 1976*To the House of Representatives:*

I am returning, without my approval, H.R. 13655, the "Automotive Transport Research and Development Act of 1976."

This bill would establish a five-year research and development program within the Energy Research and Development Administration (ERDA) leading to the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles to promote the development of advanced alternatives to existing automobiles. The major objective of the program would be the development and construction of integrated test vehicles which would incorporate advanced automobile engines into complete vehicles conforming to Federal requirements for safety, emissions, damageability, and fuel economy. Such development would unnecessarily duplicate existing authorities and extend into areas private industry is best equipped to pursue.

Both ERDA and the Department of Transportation (DOT), the two Federal agencies which would be most directly affected by this program, already have sufficient authority to accomplish the objectives of this bill. Under the authority of the Energy Reorganization Act of 1974 and the Federal Non-nuclear Energy Research and Development Act of 1974, ERDA's Highway Vehicle Systems Program is presently proceeding with the development of new automobile engine systems to the point where several prototype systems can be demonstrated in vehicles on the road. Under my fiscal year 1977 budget, ERDA will continue to emphasize the development of such advanced engines designed to meet higher levels of fuel economy and lower emissions.

Ongoing DOT programs under the authority of the Department of Transportation Act, the National Traffic and Motor Vehicle Safety Act of 1966, and the Motor Vehicle Information and Cost Savings Act are currently sponsoring advanced automobile research that, except for advanced automobile engines, will achieve the purposes of this bill. Detailed design development for two versions of a Research Safety Vehicle should be completed before the end of this year. Under my fiscal year 1977 budget, DOT will have sufficient funds for its advanced automobile research and development activities.

The Federal government, through ERDA and DOT, can play an important role in exploring the research areas that must be developed before advanced

automobiles are produced which meet the Nation's conservation goals—especially in the critical area of new engine research. However, it must be recognized that private industry has substantial expertise and interest in the development and production of advanced automobiles. The appropriate Federal role in this area should be confined to research and development only, and not extend into borderline commercial areas which private industry is best able to perform.

This highly complex technological program, moreover, would eventually require a massive spending program not reflected in the bill's \$100 million start-up authorizations for the first two years of the program. This bill would unnecessarily expand research and development programs now underway, and would provide no commensurate benefit for the taxpayers who must pay for this program. I am therefore returning the bill without my approval.

GERALD R. FORD

The White House,
September 24, 1976.

NOTE: The Senate sustained the President's veto on September 29, 1976.

812

Remarks Aboard the SS *Natchez* During a Trip Along the Mississippi River in Louisiana. September 25, 1976

[1.] LUTCHER (9:54 a.m.)

Thank you very much, Henson. And before I make any remarks, may I introduce to you my bride, Betty Ford. Congressman Moore, Congressman Treen, Senator Thurmond, distinguished members of my Cabinet, distinguished guests, the skipper of this great ship, Doc Hawley:

Ladies and gentlemen, Betty and I are delighted to be in Louisiana, in Lutchter, and in Gramercy.

In Kansas City I said that I would not concede a single State, I would not concede a single vote. I said I would campaign from the snowy banks of Minnesota to the sandy plains of Georgia. We are going to be in Louisiana, Mississippi, Alabama, and Florida, and we are going to win.

Let me thank you from the bottom of my heart for your warm and wonderful welcome, on behalf of both Betty and myself. We are delighted to be here in the South. As I said, we are delighted because I want to talk affirmatively about what we are going to do and what we have done in the last 2 years.

Your President believes that the Federal Government spends much too much money. Your President tried to cut the rate of growth of Federal spending by 50 percent. We made a little headway. But in the next 4 years, we will do even better, so you can have more money in your pocket and not in the Federal Treasury.

I believe that by holding the rate of spending down, we can give to the taxpayers of this country the kind of tax reform that makes sense. It makes sense to you. And that is why I recommended a \$28 billion tax decrease with an increase in the personal exemptions from \$750 to \$1,000, so you will have more of your hard-earned cash in your pockets.

All of you, I know, from talking to Congressman Dave Treen and Congressman Henson Moore, that you are as concerned as I am that the United States be strong militarily. Let me say that in the 2 years that I have been your President, I have recommended to the Congress the two strongest military budgets in the history of this Nation. And we are going to keep America number one, period.

One way we have tried to hold down the spending of the Federal Government is to veto 56 [58] bills passed by the Congress. Forty-two of those vetoes have been sustained, and we have saved you, the taxpayers of this country, \$9 billion. And I might add a postscript: The Vice-Presidential candidate on the other side, who is a big spender, has voted to override every veto that I have made, which proves, without any doubt, he is the biggest spender in the United States Senate.

On the Fourth of July, we had a wonderful celebration of America's 200th birthday. We have had a tough 2 years. We were divided. We have healed those divisions, and America today has a new spirit, a new spirit that has given us the capability to move out of our troubles into brighter skies.

Now we have some new problems to solve to improve the quality of our lives: a job for everybody who wants to work, a house for everybody who will work and save so he can have that home in a decent neighborhood, the best health care in the world, the solution to the problem of crime, and greater opportunities for recreation. Those are the visions and the goals of all of us in Litcher, in Gramercy, in Louisiana, in Michigan, California, and in Texas.

We have the greatest form of government in the history of mankind. I have faith in the character and the strength of the American people. And if we work together, then we can have the brightest 100 years ahead of us this country has ever had.

Thank you. I want your vote.

I want to thank the Governor's wife, Elaine Edwards, who has, and I am proud to say, indicated publicly that she thinks President Ford will be a good

President for the next 4 years. I thank you, Elaine. I thank you from the bottom of my heart, and I will prove it to you in the next 4 years.

[2.] RESERVE (11:12 a.m.)

THANK YOU very much, Henson. But before I acknowledge all of you and some of the wonderful guests on board, I would like to introduce two wonderful ladies—first, my wife, Betty Ford. And now may I introduce to all of you wonderful people from Louisiana the wife of your great Governor, Elaine Edwards—Elaine? I thank Elaine very, very much for her personal endorsement. I am very grateful, and I have told her in the next 4 years we won't let her and the State of Louisiana down.

We have some wonderful people on board. We have Congressman Henson Moore, Congressman Dave Treen, Senator Strom Thurmond. We have two members of my Cabinet and a number of other people, not only from Louisiana but from Alabama, from Mississippi, from Florida, Tennessee, Arkansas, Texas. We have some wonderful people here who have come with me to carry out a promise that I made that I don't concede a single State, I don't concede a single vote. I promised that I would campaign from the snowy banks of Minnesota to the sandy plains of the State of Georgia. I am in Louisiana, Mississippi, Alabama, and Florida to prove that we can win on November 2.

Now let me tell you why I think we will win. Since I became your President 2 years ago, we've had some tough times. We had to restore trust in the White House. We had to turn the economy around from inflation of over 12 percent to where it is now, under 6 percent. And it is going to get better with the kind of policies we have. We had to extricate ourselves from Vietnam, keep the peace through our military superiority and our diplomatic skill.

But let me talk about some of the bread and butter issues that interest you. I believe that the Federal Government spends too much of your tax dollars. In order to reduce Federal spending, I vetoed 56 [58] bills sent to me by the Congress. They have sustained 42, and we saved \$9 billion of your tax money. And that's progress.

I might add that Senator Mondale voted to override every one of the vetoes that I sent back to the Congress. He is a big spender and way left, and we don't want him as Vice President.

But I also think that what we ought to have is another tax cut. I recommended that the Congress give to the American people a \$28 billion tax reduction so that you would have more money that you worked hard to earn for your family, your children, your wife. The Congress unfortunately only gave us half a loaf. And I

promise to you that in January of next year, when I am sworn in as the next President of the United States, we will recommend another tax reduction.

All of us from wherever we come in the United States are very interested in our national security. Yes, we have peace, we're not drafting anybody anymore. But we have to keep our Army, Navy, Air Force, and Marine Corps unsurpassed by anyone. We must keep America number one, and we will under a Ford administration.

On the Fourth of July, I know you celebrated in Louisiana, like we did all over the country, the 200th birthday of this great country. In the last 2 years, as I said, we have had a tough time. But because of the form of government that we have, because of the strength and character of the American people, we have turned the ship of state around, and we are now headed upstream so that we can have a better America in the next 4 years and in the next century. We need your help. We need your help in the next 4 years so that we can have that better America when we celebrate our 300th birthday.

I am delighted to be in Reserve. I am delighted to be in Louisiana. And I love the warm welcome that you've given to Betty and me. We will be down there to shake hands and to indicate to you our appreciation for all of you coming out. But let me ask you one favor. On November 2, vote for Jerry Ford and Bob Dole.

Thank you.

[3.] DESTREHAN (1:54 p.m.)

Thank you very, very much, Congressman Dave Treen, Congressman Henson Moore, Senator Strom Thurmond, Governor Jim Edwards of South Carolina—we have two of my Cabinet officers, Secretary of Agriculture Earl Butz and Secretary of the Treasury Bill Simon.

Let me say to all of you before I make any observations and comments, I have two beautiful, wonderful ladies with me that I would like to introduce to you on this occasion. First, my bride, Betty Ford. And now, the wife of your great Governor Edwin Edwards, Elaine Edwards—Elaine? And, of course, we have Dave Treen's wife, Dody.

When I made an acceptance speech in Kansas City a few weeks ago, I said that I would not concede a single State, I would not concede a single vote, that I would campaign from the snowy banks of Minnesota to the sandy soil of Georgia. I have come to the State of Louisiana, and we are going to Mississippi, Alabama, and Florida. We are coming down here to prove that we want the South to be with us.

And Betty and I thank all of you for coming out on a Saturday afternoon to give us a wonderful Louisiana welcome, and we're deeply grateful for your hospitality and the friendship and the warmth of your welcome.

But let me talk for just a minute, if I might, about why you and myself and millions and millions and millions of other Americans should be together on November 2.

In the first place, we believe that the Federal Government is spending much too much of your tax dollars that you have worked so hard to earn. As your President for the last 2 years, I have imposed restraints on the expenditures from the Federal budget. We cut 50 percent in the rate of growth of Federal spending, and we would have done far better if we had had a cooperative Congress.

As many of you know, I vetoed 56 [58] spending bills by the Congress; 42 of them have been sustained by a combination of good Republicans and sound Democrats. And the net result is, we have saved \$9 billion of your tax dollars that you worked so hard to earn.

Let me add just a footnote: We might have sustained another veto or two if we had gotten any cooperation from Senator Fritz Mondale, who wants to be Vice President. Let me tell you a secret: He has voted to override every veto that I have sent back to Congress. Do you want him as your Vice President?

But let's talk about taxes. A few months ago I sent to the Congress a proposal to cut your Federal income taxes by \$28 billion, which would mean, as an example, that when you file your income tax return next April, instead of having a personal exemption of \$750, under the President Ford proposal you would have had \$1,000 personal exemption. Isn't that what you want? And if you have a family of four, you could have an additional \$1,000 personal exemption. That's the kind of tax reform that this administration is for, and we are going to get it. If we don't this year, we're going to get it next year.

I know of the great historical tradition of the people of Louisiana. You believe in a strong national defense. You believe that the United States must be number one in the Army, the Navy, the Air Force, and Marines. Since I've been President, I have submitted to the Congress the two largest military budgets in the history of this country, in either peacetime or war. And let me say, as long as I am President, this country is going to have a military capability second to none. We are going to be number one and stay there.

On the Fourth of July, this country had a tremendous 200th birthday anniversary. From Alaska to Florida, from Maine to California, from Louisiana to

Michigan, everybody felt good, because in the last 2 years we have healed our divisiveness, we have all come together with a great hope, with a good vision about the future of America.

That means a good job for everybody who wants to work. That means a home for every family that wants to work and save. That means the best medical care that we can give to our people. That means freedom on the streets from crime. That means an opportunity for all of us to enjoy the blessings of our national parks and recreation areas. But it also means that we are at peace. And the United States is strong enough to maintain the peace, and we are diplomatically skillful enough to keep the peace. This is the vision, this is what we want as all Americans in all 50 States, and we are going to get it under the Ford administration.

Now, Betty and I love being here in Destrehan, in St. Charles Parish, and in the great State of Louisiana. We look forward to coming down and shaking hands with as many of you as we possibly can, to look you in the eye and say hello and express our friendship for you.

But let me ask you, if I could—November 2 is a very critical date. It makes the difference whether America is going to keep moving. I want your vote on that day so America will keep moving and have a better America for all of us.

Thank you very much.

[At this point, the President left the SS Natchez to greet the people assembled at the ferry landing. The President then returned to the riverboat and continued his remarks as follows:]

A final word to not only thank all of you but to express our deepest appreciation for your friendship.

As I was walking up that hill and as I stand here now, I can't help but notice that tremendous grain elevator. I know that farmers in the Middle West have produced a great grain crop this year. I can tell you we are going to increase our exports. I can tell you that the part you play here in this area in our exports is very vital.

Let me say with all the production that we have, we're not going to have any grain embargoes, period. And we are doing our best to fight the battle for a responsible grain inspection bill, and we'll do the best we can to try and help those who have done a good job in the past.

Thank you very much.

[4.] NEW ORLEANS (5:18 p.m.)

IT'S wonderful to come here to New Orleans after a tremendous day. And I want to thank Congressman Dave Treen, Congressman Henson Moore. I would

like to thank Senator Strom Thurmond, who is on board, Governor Jim Edwards of South Carolina, former Governor Kennon of Louisiana, and former Governor Griffin of Georgia.

I like that sign, "Georgians for Ford."

It is great to have on board here the next Congressman from this area, Bob Livingston.

But I have two favorite girls of mine alongside of me on board. First, I'd like to introduce to you my bride, Betty Ford. And it's been a great privilege and pleasure for us to have on board all day long the very attractive, beautiful wife of the Great Governor of the State of Louisiana, Elaine Edwards.

At Kansas City, in my acceptance speech, I made the statement that I would not concede a single State, that I would not concede a single vote, that we were going to carry the campaign from the snowy banks of Minnesota to the sandy plains of Georgia.

Today, we've been in Louisiana; tomorrow, we go to Mississippi and Alabama, and then we end up in Florida. This campaign on this weekend has been by car, by airplane, and then we've had this wonderful experience of going down the Mississippi in the finest riverboat in the country today, the *Natchez*. And I thank the crew and everybody.

It must be perfectly obvious that I want to win in Louisiana, and from every reception that we have gotten—the three stops—has been tremendous. And I want to thank all of them, through you, for the warm, warm welcome given to Betty and myself.

Let me tell you why I think we can win Louisiana. All of you know that when I became President in August of 1974 this country was in deep trouble. The American people had lost faith in the White House. We were suffering inflation of over 12 percent, and we were on the brink of a serious economic recession. And we were still deeply involved in Vietnam. We had troubled times. And in the last 2 years, we have turned that ship of state around.

It's taken a little longer than I wanted—and I'm sure you wanted—but look at the progress that we've made. Instead of inflation over 12 percent, it's under 6 percent. Instead of losing jobs, we have gained 4 million jobs in the last 17 months, and we are going to get more and more in the future. And I won't be satisfied until every person who wants to work will get a job and a good job.

We are out of the war in Vietnam. We have the peace, and we have an all-volunteer military force, and we are going to keep it that way. And we have the military capability and the diplomatic skill to continue the peace.

But let's talk for a few minutes, if I might, about what we want to do in the

future. In the next 4 years, in the first 4 years of our third century, we want a job, as I said a moment ago, a good job for everybody who wants to work. I promise that we will get an additional 2,500,000 jobs each year in order to satisfy the young people coming into the labor market.

Our second objective is to make it possible for every family, particularly the young who want to save and buy a home, to have a home in a decent neighborhood.

Some of us are deeply concerned, as you are, about the crime rate in this country, but we've made some progress. Two years ago, the crime rate was 18 percent. Last year it was 9 percent, and for the first 6 months of this year the crime rate is 3 percent, and that's a lot of progress. And we can take some credit for it, and we will.

In the next 4 years, we will increase the educational opportunity for young people; we will make our health facilities and services much more available. There is no reason whatsoever why anybody should go broke in this country to get well. And they won't under the Ford administration.

I've been talking about the quality of life, and that's what we want to give to our country in the months ahead.

Let me take one quick minute to talk about some things we have tried to do that I think give you some concrete indication of what we are going to do in the future.

Less than a year ago, I recommended a \$28 billion tax decrease, 75 percent for the individual taxpayers and 25 percent for business. Included—and this is what is meaningful to you—I recommended that we increase the personal exemption from \$750 to \$1,000. And for a family of four that means a tax saving (deduction) of \$1,000. The middle-income people have been shortchanged, and under the Ford administration we are going to give them the equity they deserve.

Let me thank you all. Just a comment or two about our long-range goal and future.

On the Fourth of July, we had a tremendous, exhilarating experience. We celebrated our 200th birthday. The length and the breadth of this country there was a new spirit, a new vision.

I think because we have the character of our people, because we have the kind of government that is surpassing any kind in the history of mankind, we have the opportunity to give to our children and our children's children the blessings that we inherited from our predecessors.

And I pledge to you that the first 4 years of this next century under a Ford

administration will open the floodgates to blessings that we haven't had, blessings that we can get, blessings for a better America.

That's what this administration is all about, and that's why I want your vote November 2. We need it. We can carry Louisiana, and we can win the election.

Thank you very much.

813

Remarks in Bay St. Louis, Mississippi.

September 26, 1976

Congressman Trent Lott, Governor Finch, Mayor Carver, Mayor Longo, distinguished guests, all you wonderful Mississippians:

It is great to be in Bay St. Louis and Hancock County, the State of Mississippi. As we were driving from New Orleans here to Hancock County, it was very obvious to me that you have the most wonderful outdoor recreation area I have ever seen. I congratulate you. You have fishing and hunting.

Speaking of hunting, I don't believe that the law-abiding citizens of this great country should be deprived of the right of freedom of arms, period. And I don't think if you want to go hunting you have to go and register your firearm.

But in Kansas City, I said that in this great campaign I would not concede a single State, I would not concede a single vote, and that we would campaign from the snowy banks of Minnesota to the sandy plains of Georgia. And we are in Mississippi to prove it. We want to win in Mississippi.

But let me take just a minute to thank your Congressman, Trent Lott. Trent has done a super job. Send him back. We need him, and so do you.

As you will all recall, in August of 1974, just a little over 2 years ago, this country was in trouble. The American people had lost faith in their government. We were in serious economic circumstances. Inflation was high, over 12 percent. We were on the brink of a recession, the worst in 40 years. We were still involved in Vietnam, and this country had to turn it around.

We have in the last 2 years made incredible progress, and we are going to make more in the next 4 years. We have restored trust and honor to the White House. We have made significant progress in reducing inflation from over 12 percent to under 6 percent, but we are going to make more.

And let me say this: The best way to win the battle against the cost of living is to reduce the cost of Federal Government. There are some people running for

this office of President that want to add more and more spending, bigger and bigger deficits, more and more inflation.

We're against that. The Ford administration is going to win the battle against inflation. We're going to hold down the cost of government, and we'll make the decision for you here by you and not by some bureaucrat in Washington, D.C.

As I had the privilege and honor of coming by and shaking hands with many people from the great State of Mississippi, I noticed a number of older people. The Ford administration wants good housing for our older citizens, and we want to protect them from the cost-of-living increases, and we will.

We want jobs for our younger people. We want opportunities for meaningful jobs, not dead-end jobs. I promise you that this administration will never be satisfied until everybody who wants to work, who will look for work, has a job.

But let me say that it is just wonderful to be here and see the patriotism and the spirit of the people of Mississippi. Let me say that on July 4, we celebrated as a nation the most wonderful 200th birthday that we could possibly imagine. We have been in trouble for 2 years, but now we have a rebirth of that kind of spirit in the United States that gave our forefathers the kind of government that we have inherited from them, that gave our forefathers the spirit and the desire and the ambition to make America what it is today. But now that we are over our troubles of the last 2 years, it's up to you and to me to keep that spirit going, to expand that patriotism, to make America a better place for all of us—the young, the old. All Americans deserve in the next 4 years as we move into our third century the kind of America that we want—a good America, a better America—and we will.

But before I say goodbye, I want to ask you one question. Jerry Ford needs your help. Can you give it to me?

Thank you. It is wonderful to be here in Bay St. Louis.

Thank you, good luck, and God bless you.

NOTE: The President spoke at 1:05 p.m. at the Hancock County Public Library. In his opening remarks, he referred to Gov. Cliff Finch and Mayors

Warren Carver of Bay St. Louis and Johnnie Longo of Waveland, Miss.

814

Remarks in Gulfport, Mississippi. September 26, 1976

Thank you very, very much, Congressman Trent Lott, Congressman Thad Cochran, Mayor Lang, Mayor Maxwell, Mayor Saucier—that's not bad is it?
[Laughter]

It is wonderful to be here in the great State of Mississippi. It is just so encouraging and wonderful to be here in the city of Gulfport. But I want to remind you of one thing: At the convention in Kansas City, I said we would not concede a single State; I said we would not concede a single vote; I said we would campaign from the snowy banks of Minnesota to the sunny plains of Georgia.

We had a wonderful day in Louisiana. It's been tremendous in Mississippi and it will be good in Alabama, and it will be good in Florida. We want to win.

Let me express my deep appreciation to Trent Lott and Thad Cochran. They are outstanding Members of the Congress. Send them back. We need them, and you need them.

And let me say to Mayor Lang, I will tell you this is a tremendous welcome, and I appreciate your help and the help of other local officials.

Let me take just a minute to speak about the things that concern all of us. If you will refresh your memory, 2 years ago, this country was in trouble. We were divided. There had been a great loss of trust in the American people in their government and in the White House. There had been a tremendous adverse impact because inflation was over 12 percent. We were on the brink of the worst recession in 40 years. We had still an involvement in Southeast Asia. It was not a very good time for America.

But I found that the character of the American people, the kind of government we have, has given us a chance to turn the ship of state around. And in the last 2 years we have made incredible progress, and we should be proud of it. But the progress we've made is not enough. What we have to do is move from where we are to a better opportunity, more progress.

And as I travel around the country, I find that America is on the upbeat. We have restored trust in the White House. We have turned our economy around. Instead of 12-percent inflation, we are down to under 6 percent, and we are going to do better and better.

But the way to whip inflation is not to add more Federal spending. The way to whip inflation is to keep the cost of government down, and you will keep the rate of inflation down. One way I've found that we can hold the lid on

Federal spending is to veto some of that bad legislation that the Congress sends up to the White House. As a matter of fact, they've sent 58 bills to the Oval Office; we've vetoed them. Forty-two have been sustained, but in the process we have saved the taxpayers of this country \$10 billion. That's progress.

What we want to do is to keep the rate of spending down so that we can give more tax relief to the taxpayers of this country. The best way for America to move ahead is for you, the individual citizens who have worked hard in your factories or in your port or in your schools or in the farms around here—the best way for you to make headway is to have that money that you have earned in your pocket and not for some bureaucrat to spend in Washington, D.C.

But as we move ahead what we want, among many other things, is to have all of you to have a greater opportunity for recreation. And as I have traveled from New Orleans to here this morning, I have seen some of the wonderful places where you are the beneficiaries of fishing and hunting. Speaking of hunting, let me just make a comment. The law-abiding citizens of this country should not be deprived of the right to have firearms for their own protection, and if you want to go hunting, you should not have to go down and register your firearms with some Federal official.

As we drove in I saw this wonderful Seabee unit out there giving me a warm welcome. I want to congratulate them for the superb job that they've done, not only in their Navy capacity but in doing everything they possibly could following Hurricane Camille.

But speaking of national defense, this is where an area of decided difference exists between me and my opponent. In the 2 years that I have been President, I have submitted to the Congress the two largest defense budgets in the history of the United States. We had to do it, because Congress had slashed our defense budgets in the last 10 years by an accumulated total of \$50 billion. We've turned it around. My opponent wants to cut the Defense Department budget by \$5 to \$7 billion. That would be disastrous. We need to keep America number one, and under a Ford administration we will. You don't stand up to the pressures around the world by having less power; you need more power, and we are going to keep it that way.

One final comment. I know all of you here in Gulfport celebrated, like other people did all over the United States on the Fourth of July, our 200th birthday. I was privileged to travel to a few States and to see literally thousands and thousands and thousands of people. It was the most inspiring day that I've ever spent in my life, because I found that the divisiveness that we had had in America over the last 10 years had been healed. The people from all walks of life were getting

together celebrating America's 200th birthday—a great, great occasion—but we are going to keep that upbeat moving.

We have to work together in the future to make America a better place for our children and our grandchildren. It's an opportunity for all of us in Mississippi and Michigan, Alaska and Florida, New York and California, to give to us, and mainly to our children and grandchildren, the kind of America that we inherited, but a better America. We will, and we will do it in the next 4 years and during the next 100 years.

I thank all of you for coming out here today. It is just wonderful.

Can I ask something else of you? On November 2, are you going to support Jerry Ford?

Thank you, and we won't let you down. It's wonderful to be here. Thank you very much.

NOTE: The President spoke at 2:05 p.m. at the Main Post Office. In his opening remarks, he referred to Mayors Arthur Lang of Gulfport, Sam Maxwell of

Long Beach, and Steve Saucier of Pass Christian, Miss.

815

Remarks in Biloxi, Mississippi. September 26, 1976

Trent, Congressman Thad Cochran, Mayor O'Keefe, my very, very good friend, your former Governor and my colleague in the House of Representatives, John Bell Williams, distinguished guests:

It is wonderful to be here in Biloxi. I thank you very, very much.

I love seafood. I just came from a wonderful seafood lunch, and despite what some people say, nobody works harder than shrimp pickers. [Laughter]

When I was in Kansas City and making an acceptance speech, I made a commitment. I will not concede a single State; I will not concede a single vote. We are going to have a national campaign, and we are delighted to be down here in Louisiana, Mississippi, Alabama, and Florida. We want your help, and we are going to win.

I made another commitment. We were going to campaign from the snowy banks of Minnesota to the sandy plains of Georgia. And we are just started because we want every one of the States in the South to be a part of the Ford victory, and Mississippi can be number one. We want it that way.

As we drove across the great State of Mississippi this morning from New Orleans, I could not help but see some of the greatest recreation areas that you

have all along the coast—fishing, hunting. Gosh, I think we ought to make it very clear right now. All right-believing people who are law-abiding ought to have the traditional right under the Constitution to retain firearms for their own national protection, period. I don't think you should have to go down and register your gun or your firearm if you want to go hunting, and you won't under a Ford administration.

Let's talk about some of the things that we want done in the future, but let's take a quick look, if we could, at just what's happened in the last 2 years.

In August, 2 years ago, I became President in a very tough time in this country. People had lost trust in the White House itself. We were having inflation of over 12 percent. We were on the brink of the worst economic recession in the last 40 years. We were still involved in Vietnam. They were troubled times. People were distrustful of one another, and we were divided as a people.

But in the last 2 years we have calmed the waters, we have healed the differences between our people, and we have made tremendous strides in turning our economy around. Oh, you can't turn a switch and solve all the problems, but instead of over 12 percent inflation, it's under 6 percent. We've added 4 million jobs in the last 17 months. We're making all kinds of progress to get this economy healthy again. Of course, we're no longer in Vietnam, and we have peace, and we have the military capability to keep it.

But let me talk for just a minute about the military. I'm mighty proud of the people out at Keesler Air Force Base. You're a very vital part of this great national defense team that we have. I believe that the United States in the Army, the Navy, the Air Force, the Marine Corps, we're unsurpassed. And under a Ford administration we're going to stay number one. In the last 2 years that I've sent budgets to the Congress, I have submitted the two largest military budgets in dollars in the history of this country. And let me be very frank with you. Nobody can honestly cut the defense budget \$5 to \$7 billion, as my opponent does, and keep America number one. You must do it the way I want it.

But let's talk about some of the things that we want for the young people, the old people, and all of us. We have to think of the quality of life now that we have gotten our economy turned around and we are out of Vietnam and trust has been restored in the White House. We want everybody to have a job that wants a job—a meaningful job, not a dead-end job under some of these subsidized programs. We want the economy of this country to give the people of this country a job where they can have an opportunity for advancement, to better themselves, and have some security. We want the American people, those who will work and save, to have a decent home in a decent neighborhood. We want

the crime problem solved, and we are making headway in that regard. We want the best health care for your people so they can afford what is available. There's no reason why anybody in this country should go broke just to get well.

And as I look at the next 4 years and see what you have done in Mississippi, what they have done in 49 other States, what 215 million Americans can do working together, I'm a tremendous optimist. On the Fourth of July of this year, we celebrated our 200th birthday. It was a great occasion. And the net result is there's a new spirit in America—a spirit of togetherness, a spirit of enthusiasm.

We have the most wonderful opportunity in the next 4 years to lay the foundation for a great third century. We'll do it working together. And I want the opportunity to be your President during that period of time.

Can I ask you one question? I want, of course, you to reelect Trent Lott and Thad Cochran. You should do it for yourself, but also for your country. But let me ask you one other question. Jerry Ford wants your vote. Can I get it down here in Biloxi?

Thank you very much. It's great to be here. We've had a wonderful day. I thank you from the bottom of my heart. Good luck, and God bless you.

NOTE: The President spoke at 4:25 p.m. at Mavar's Cannery. In his opening remarks, he referred to Representative Trent Lott and Mayor Jerry O'Keefe of Biloxi.

816

Remarks in Pascagoula, Mississippi. September 26, 1976

Thank you very, very much, Trent, Bill Colmer, Jack, Mr. Levy:

We've got a couple of, good Alabamians here, Jack Edwards and Bear Bryant—it is great to have them. And we are going into Alabama very shortly.

But let me say to the people of Mississippi, we started in Bay St. Louis, we went to Gulfport, we went to Biloxi, and we are now here in Pascagoula. It's been a wonderful day.

At the convention in Kansas City, I said that we would not concede a single State, we would not concede a single vote, and that we would campaign from the snowy banks of Minnesota to the sandy soil of Georgia. And we are here, and we are here to win.

It has been a great experience coming along the coast to see all the wonderful recreation areas that you have where you can fish, where you can hunt, where you can really spend a wonderful time after you work or go to school.

But speaking of hunting, I want to make one comment because I think it is vitally important for all of us who have a great dedication to the Constitution. No law-abiding citizen should be deprived of the right to have a gun in his possession under our Constitution.

But let me talk for just a minute, if I might, about where we have been and where we are going. Two years ago when I became President, August 9, 1974, this country was in tough shape. I recall vividly, as I think you do, the American people—for understandable reasons—had lost faith and trust in the White House. The American people were faced with economic conditions which were very difficult. The cost of living was 12 percent or more, we were on the brink of a serious recession, and we were still involved in Vietnam.

That was a tough time. But something really wonderful happened in this country. We got together. We realized what a blessing we had in the kind of government we have, and instead of the division that we had among our people, we began to heal. And the net result is that 2 years later we have made an incredible comeback, and we are going to do better and better.

But let's talk about the future because that is what we really are all here about. I appreciate your coming. I am grateful for you to give me the opportunity to talk affirmatively. What do we have in mind for the future?

We want a better quality of life now that we have taken care of the immediate problems. What we want is a job for everybody who wants to work, a meaningful job. And I won't be satisfied until we have a job for everybody who wants a job and who will look for a job. And I don't mean a dead-end job for the Government. I mean a job where you have got an opportunity for advancement, where you can make yourself a career. We also want everybody who will work and save to have a home in a decent neighborhood. And under the next 4 years of this administration, that is what we will get. And we want to get rid of crime on our streets. We want to give people the kind of health care that they can afford. Nobody should have to go broke just to get well.

Now let me talk just a minute about the national security. This is my third visit to Pascagoula. I came down here in 1962 with my wife, Betty. She commissioned a new submarine over here in the Ingalls shipbuilding yards.

But let me talk about the Navy and what the Ingalls shipbuilding yard means to the kind of a Navy that we have to have. We are being challenged by the Soviet Union on the sea. We have had our Navy gradually go down in ship numbers, although we've done very well in tonnage. But you have a big shipbuilding contract out here in Ingalls shipbuilding. I understand 27,000 people work here building those fine ships. I compliment you. But let me say this: We

need a first-class Air Force; we've got one. We need a superb, first-class Army; we have one. We need an outstanding Marine Corps; we've got one. And we've got a swell, first-class Navy, and you are a big part of it.

I am very proud of the fact that I sent to the Congress in the last 2 years the two largest defense budgets in the history of the United States, and I will submit one next year that will be the third largest military budget in the history of the United States. I am not going to cut the defense budget just to appeal to some people. Anybody who says you can cut \$5 or \$7 or \$10 or \$15 billion out of the defense budget does not know what he is talking about. The United States is number one, and under the Ford administration we are going to keep it number one, period.

One final comment. I will bet all of you in Pascagoula had a tremendous Fourth of July celebration when we celebrated our Nation's 200th birthday. Wasn't it a great day? Wasn't it wonderful?

Well, we are now in our third century, and we have got a new spirit. We are going on the offensive. That is what Bear knows how to do with those good ball teams he has. But let me say this: We are healed. We are going forward. We are on the upbeat. America is going someplace, and it is all to the good. Let's work to build a better America in our third century.

Now let me ask one question—one question. I have had a wonderful day in Mississippi, I am looking forward to going to Alabama. You people in Mississippi have such a strong patriotism. I love being down here. It has been a great day. Let me ask one favor of you. Will you vote for Jerry Ford on November 2? All right, that's a compact. You vote for me—I won't let you down.

Thank you very much.

NOTE: The President spoke at 6:05 p.m. at Beach Park. In his opening remarks, he referred to Representatives Trent Lott of Mississippi and Jack Edwards of Alabama, former Representative William

M. Colmer of Mississippi 1932–73, I. G. Levy, mayor pro tempore of Pascagoula, and Paul (Bear) Bryant, head coach of the University of Alabama football team.

817

Remarks in Mobile, Alabama. September 26, 1976

Thank you very much, Congressman Jack Edwards, Governor Wallace, Congressmen Dickinson, Buchanan, and of course your great coach, Bear Bryant, and all of you wonderful people from Mobile and the State of Alabama:

What a grand conclusion of a super day, and I thank you from the bottom of my heart.

I especially want to indicate my gratitude, Governor Wallace, for your accepting my invitation to come to Mobile and to give me a welcome in front of your wonderful friends from the State of Alabama. I have known Governor Wallace ever since I was the minority leader. He was your Governor. We worked together then; we worked together when I was Vice President.

I have attended a number of conferences where Governors and the President were in session, and our working relationship in trying to solve problems—regardless of whether Governor Wallace is a Democrat and I am a Republican—that was the aim and the objective of our relationship. And I can say without hesitation, I have never known anyone who I could work better with in that relationship, and I thank you very, very much.

You don't know how pleased I am, how honored I am with the comments by my long-time friend, Bear Bryant. He is right. We graduated—he from the University of Alabama, and I from the University of Michigan. He got into coaching, and I did. He did a lot better in coaching than I did, but let me say that I am a good Monday morning quarterback when it comes to reading the paper and seeing what ball teams win and what ball teams lose.

I don't offer the advice because I played and coached, and I found that, you know, there is nothing like the coach who is there and the players who have to play. But I have great respect for the players that are successful and the coaches who are successful. And I want to commend all of you here in the great State of Alabama for not only having a great university and a great university at Auburn, but I want to commend you for having, I think, one of the outstanding coaches, not only from the point of view of technically being a great coach but being a great leader of men, and that's what really counts.

Thank you very much, Bear.

When I made the acceptance speech in Kansas City, I made a pledge, and I used these words: I said that I will not concede a single State, I will not concede a single vote. I was going to travel this country from the snowy banks of Minnesota to the sunny plains of Georgia, and that I was going to cut across this country North, South, East, and West—we were going to have a national campaign.

And in the last 2 days, I've traveled by riverboat, I've traveled by car, by plane, and it's been a tremendous experience. We have been in Louisiana, Mississippi, Alabama, and we are going to Florida after we leave here tonight.

But what impresses me is that we come to these wonderful States, where I think we have great support, and I think with all the enthusiasm and drive and

the right principles we are going to surprise some people down here in these States.

Let me tell you why. As Coach Bryant said, on August 9, 1974, when I became President, there was a pretty dark cloud in this country. We had gone through some traumatic experiences. The people were divided. There was great unhappiness. We had had riots in our streets and riots on our campuses. We were facing a serious economic problem. There had been a loss of trust and faith in the White House itself. We were still involved in Vietnam. It wasn't a very pleasant time.

As Coach Bryant said, we were back about on our own goal line. But we found in the next 2 years that the American people had the kind of character, the American people wanted to work together, and that we had the kind of government that gave to us the opportunity to bring our country forward.

And what has happened? We have restored faith and trust in the White House. We have turned the economy around from inflation of over 12 percent to under 6 percent. We have added 4 million jobs from the depth of the recession in the last 17 months, meaningful jobs with a chance for advancement. We are going to do better. And I won't be satisfied, as your President, until we get a job for everybody who wants to work and will work and will look for work.

Then we have extricated ourselves from Vietnam. We have peace. We have the military strength and the diplomatic skill to keep the peace. We don't do it through the draft, we do it through an all-volunteer military force. And we are going to keep the peace not only at home by doing a better job in solving our problems of crime but we are going to give the leadership throughout this whole world to keep the peace that is so essential so the blessings of America can be spread beyond our own shores.

But let me make a comment about our military strength. And I am so pleased that in the background, if the light was such, that we could see the Coast Guard Aviation Training facility. You should be complimented on the fine job they do, and we are proud of them.

That brings up the subject that I think is of vital importance. I am very proud of the fact that in the last 2 years I have submitted to the Congress and to the American people the two largest military budgets in the history of America—not for the purpose of making war, but for the purpose of preserving peace. And we have turned the situation around so that now Congress, after cutting defense expenditures for the last 10 years some \$50 billion—we have convinced the Congress that it's important, it's vital, it's essential that America

remain number one, that America will be number one so we can keep the peace, deter aggression, and protect our national security.

Well, I want to warn you about one thing. I am dismayed that my opponent thinks you can make a stronger Army, Navy, Air Force, and Marine Corps by cutting them \$5 to \$7 to \$9 to \$15 billion. You can't do it. He ought to know better. And under President Ford, we won't.

But as long as we build our military capability for the preservation of peace here and abroad, we have to do things to build up our economy so that we can take full advantage of the natural blessings that we have here at home.

I can recall hearing about the Tennessee-Tombigbee project when I first went to the Congress in 1949. Nothing has pleased me more than to see the construction that is underway for this great public works project. And let me say without hesitation that the Ford administration will make certain that it will proceed and proceed at full funding. In 1976, we recommended about \$65 billion [million]. In 1977, it was about \$85 to \$90 billion [million], and the latest figures for planning for the next fiscal year, something over \$100 million. That is the kind of support that the Ford administration gives to the Tennessee-Tombigbee—a good project which we want not just for you but for all America.

But we have to think in even broader terms than that. We have to think about the quality of life that we want for 215 million Americans for the next 4 years and the next century. What are those things? I mentioned earlier that we want a job for everybody who wants to work, who will work, and will look for work.

We want a home for every family that will work and save, and we want that home for them in a decent neighborhood. We will get that kind of a program and those kinds of homes under a Ford administration. We've built almost 3 million homes in the last 2 years under this administration, and we will be doing better in the next 4 years.

We all want the best in medical care, and we have the capability of doing it. And we want it so that the American people will have an opportunity to get that care. There is no reason in this country why a person should go broke just to get well, and they won't under this administration.

Then, every one of us for the last 4 or 5 years has worried about crime. The crime rate went up in 1974. It dropped off a little in 1975. We have some encouraging news in the first 6 months of 1976. It is down to a net gain of 3 percent. But we have to make certain, under our crime legislation, in the courts of this

country, that the people who commit the crimes go to jail so that we can protect the innocent victims of crime in America.

Well, it's just great to be here in this wonderful State of Alabama. As I was coming into the airport, I was looking forward to seeing Governor Wallace. You know, in 1972 Governor Wallace went up to the State of Michigan. He got involved in the primary on the Democratic ticket. Everybody was saying he didn't have a chance. But you know what he did? He got 51 percent of the vote. I think I will take him to Michigan to help me in 1976.

We've had a wonderful Bicentennial anniversary. How many of you felt better on July 4 when we celebrated our 200th birthday? I know I did. I went to Valley Forge; I went to Philadelphia; I went to New York. I had the opportunity to see people of all walks of life in many States just get a new faith in America—a rebuilding, a rekindling of this great, great spirit that made America grow from 13 poor, struggling Colonies 200 years ago to a nation of 215 million builders, people who today—whether they live on the East Coast, the North or the South or the East or the West—we're builders, and we've got that spirit.

This is what made America great. This is what will keep America great. And each of us must pledge—regardless of our political faith or belief—our dedication to a better America. I know you will—I will—and I know that America in the next 4 years and the next century will be a greater and greater country just because of us.

Now just one final question. I've had a great time, and we came over from the Mississippi and Alabama line, saw so many friendly faces, and to see this tremendous crowd here—can I ask you a favor? We've got a big election November 2. I want your support. Can I have it?

Thank you very, very much. It's been great to be here. I won't let you down.

Thank you Governor Wallace. Thank you very much Bear. Thank you Jack Edwards. Thank you Bill Dickinson. Thank you John Buchanan. Elect them; I need them, you need them, we all need them in Washington representing you.

Thank you.

NOTE: The President spoke at 8:13 p.m. at Bates Field at the Municipal Airport. In his opening remarks, he referred to Gov. George C. Wallace of

Alabama, Representatives William L. Dickinson and John Buchanan, and Paul (Bear) Bryant, head coach of the University of Alabama football team.

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Remarks at the Annual Conference of the International Association of Chiefs of Police in Miami Beach, Florida.
September 27, 1976

Chief Clement, Director Kelley, Mayor Rosen, officers, directors of the International Association of Chiefs of Police, reverend clergy, ladies and gentlemen:

It is a very high honor and a very great privilege to be with the International Association of Chiefs of Police, and I congratulate Chief Ed Davis, of Los Angeles, your new president.

Later this week I will sign legislation that reflects the will of a grateful people and their government. It will demonstrate the esteem of a free society, of its 600,000 sworn law enforcement officers and others entrusted with our public safety. I refer to legislation, the Public Safety Officers' Benefit Act of 1976, which will pay \$50,000 to the survivors of any public safety officer who loses his or her life in the line of duty.

No amount of money can fill the void left by the courageous officers who make the supreme sacrifice. What we will do is to assure their next of kin of appropriate benefits for their lifetime. As your President, I will sign this law on behalf of every grateful American. But let me add, the United States of America salutes all the men and women who so devotedly serve their Nation and their fellow citizens.

We must respond to the suffering of all the victims of crime in our society. Consider the great emphasis is now placed on the rights of the accused, we must pay more attention to the rights of the victim of crime. I am shocked, I am angered that our older and least advantaged citizens are too often brutally victimized day after day after day. It is equally shocking that the Congress has failed to act on my proposal to provide compensation for the victims of Federal crime. I have urged that similar action be taken by State governments. Seventeen States have enacted crime compensation legislation, and a number of others are considering such statutes.

No President and no police chief can preserve domestic tranquility without cooperation—the cooperation of American citizens, America's neighborhoods, and America's communities. That is why I address myself to all Americans who are determined to act against crime.

The cost of crime in America has been estimated at \$97 billion a year, almost as much as the entire defense budget. But even that figure, high as it is, does not

take into full account the terrible impact of crime on our society. We cannot count in dollars, we cannot count in cents, the loss of a single citizen who is murdered, the humiliation of one who is raped, the pain of one who is assaulted. We cannot calculate the cost to a free society when people are forced to barricade themselves in their own homes. It is time to give the streets back to the law-abiding citizens and put the criminals behind bars.

Study after study has shown that crime is not the work of many offenders but of a relatively small number of chronic lawbreakers who have chosen crime as a career. The career criminal is a one-man crime wave. He commits between 50 and 80 percent of all serious crimes. In Washington, D.C., one man recently confessed to 50 rapes, 80 burglaries, 10 armed robberies, and more stolen cars than he could remember. The LEAA has reported that 49 criminals, unbelievable, acting individually, committed over 10,500 crimes.

If we can bring the career criminal to a speedy trial, try him for his most serious rather than least serious offense, and make sure that if found guilty he is sent to prison, we can give the streets back to the people of the United States. I do not advocate vigilante action, but I do advocate swift and certain justice.

You in this great audience know the criminals. Their names appear on police blotters and court dockets every day. They have been on probation, in halfway houses, and on parole. They had every chance for rehabilitation, but nothing has worked. It is no encroachment on the presumption of innocence to identify those whose business is crime. Our job is to put them out of business—the sooner the better.

Two years ago I outlined to this association a career criminal program. Under the auspices of LEAA, we targeted 12 jurisdictions for an initial demonstration. In the last 16 months those jurisdictions have singled out more than 2,000 career criminals with an average of five prior convictions apiece—not five arrests, but five convictions apiece. New cases involving these habitual offenders were assigned to special units of the district attorney's offices. Every right of the accused was protected, including the right to a speedy trial. With absolutely no plea bargaining for lesser offenses, the prosecutors achieved dramatic results. Of those 2,000 defendants, 95 percent were convicted. The average time between arrests and final sentencing was only 84 days. The average sentence for those convicted was 20 years in prison in most cases. The crime rate demonstrably went down. That's success.

I have directed the Law Enforcement Assistance Administration to significantly expand the scope of this program to include not only more prosecutors' offices but police and correctional organizations as well. In the next fiscal year

the number of federally funded, career criminal jurisdictions will be more than doubled. I urge States and local governments to expand this effective program with your own resources as well.

The national trend is that less than 10 percent of those convicted spend any time in jail. This is intolerable and indefensible. Our Constitution reserves jurisdiction over most crimes to State and local authorities, but in offenses where the Constitution gives jurisdiction to the Federal Government and, therefore, gives the President some say in the matter—kidnapping, hijacking, trafficking in hard drugs, and Federal crimes involving use of dangerous weapons—I have proposed mandatory sentences. If convicted, they go to jail. We are going to stop letting convicted criminals go free. That's the way to deter crime and protect the victims of crime.

Law enforcement officers have the primary responsibility for fighting violent crime, but crime is so pervasive it can be brought under control only by concerted actions at all levels of government—Federal, State, and local—and by the cooperation of law-abiding citizens and police volunteer groups.

I am greatly encouraged by the revival of public cooperation with the police and the confidence you have instilled in every neighborhood of your communities. The police officer has become a catalyst for responsible government, and I commend you and I congratulate you. I have heard of individuals, especially in rural and suburban areas, who use CB radios in their cars to assist the police. This is a lot better use of CB than frustrating highway patrol cars. I commend this new breed of CB cooperators for recognizing “Smokey Bear” as the real friend of law-abiding citizens.

Two years ago I made a solemn pledge to you, the police chiefs, that a high priority of my administration would be the control of crime, especially violent crime. Since 1974 we have been making real progress. In 1974 the crime rate had increased by a staggering 18 percent over the previous year. By 1975 we had cut the rate of increase in half, to 9 percent. Statistics for the first 6 months of this year show the increase in the rate of crime reduced to about 3 percent. Even better, the new figures reveal that the rate of violent crime has actually decreased for the first time in many, many years. The violent crimes of murder, forcible rape, robbery, and aggravated assault decreased 6 percent in the first 6 months of 1976. I congratulate you, but we're going to do better in the future.

There is a new and wonderful attitude in America. Americans who have reverence for the law are fighting back. We must not stop until we tear away the shroud of fear from every corner of America to control rural and suburban crime, as well as that in the big cities.

The criminal justice system cannot, by itself, control crime. Further reduction of the crime rate requires involvement of all of our fellow Americans. The family and the neighborhood are our best defenses against crime. Family responsibility, not government programs, is the best way to make sure children are properly nurtured, the elderly are cared for, our cultural and spiritual heritage preserved, and our laws respected. The police can do little to curb juvenile delinquency without the family's full cooperation.

We hear more about the rights of juvenile defenders or offenders than about the rights of their victims. Forty-five percent of all violent crime is now perpetrated by juveniles. If they are big enough to commit vicious crimes against society, they are big enough to be punished by society. Too many violent and street-wise juveniles are using their age as a cloak of immunity. Detention may not help the juvenile, but it will certainly help his potential victims.

Genuine job opportunities for young people provide a constructive alternative to crime. We're making progress in this area, and we'll do better as our economy continues to improve. If rehabilitation is to become a reality instead of the pretense that it is today, the private sector must do more to provide jobs for those who have paid their debt to society.

In my crime message to Congress, I called for a comprehensive Federal Criminal Code to serve as a model for State and local governments. I called for mandatory minimum sentences for certain Federal crimes and for violent, repeat offenders. I called for legislation increasing the number of Federal judges. I called for the compensation of the victims of Federal crime. The Congress has done nothing.

Too many politicians today are underestimating the public concern about crime. Just as the police identify career criminals, American voters will examine their ballots in November and identify those candidates who have demonstrated indifference or permissiveness toward crime, and they should.

I serve notice today, that a top priority of the first 100 days, beginning with Inauguration Day for the Ford administration next January, will be the rallying of America behind Federal anticrime legislation. I ask every police chief in America and every citizen to join in that crusade. I recommend strict controls and more stringent penalties to stamp out the threat of political terrorism which is totally alien to American ideals.

In addition, I ask all athletes, amateur and professional, to help our young people. Our athletes in America can score high by providing youth with alternatives to crime. Kids who are playing football, baseball, basketball, and tennis are not kids committing crimes against society. Heroes of sports, instead of

criminals, are the models for youngsters to look up to. I have directed my Council on Physical Fitness and Sports, in partnership with State and local authorities and private organizations, to promote team play rather than foul play, and we will.

The Federal Government shares direct responsibility for organized crime, white-collar crime, and official corruption. The Department of Justice has made great strides in combating this kind of crime.

To ensure that this Federal effort is fully coordinated, I will establish an inter-agency council on crime. It will include the heads of all Federal agencies operating programs involved with crime. It will be directed by the Attorney General of the United States, who will do a first-class job. One of the first jobs of the council will be to review the policies of major domestic agencies and recommend changes to lower the crime rate. The council will develop a comprehensive 5-year plan for crime control and criminal justice through the Federal Government.

We all know, tragic as it is, as much as one-half of all street crime today is committed by drug addicts to support their habit. Since taking office, I have reorganized our programs and priorities to make maximum use of our antidrug resources at the Federal level. I met with the heads of state of Mexico, Colombia, and Turkey to secure their cooperation in the international war on drugs. I proposed legislation which would close the loopholes that permit drug traffickers to prey on the young. I directed the Internal Revenue Service to reinstitute and emphasize a tax enforcement program aimed at high-level drug traffickers. Since then, the IRS, aided by the Drug Enforcement Administration, has identified over 375 suspected bigtime pushers for intensive investigation and action. And I called for more than three-quarters of a billion dollars in a year, a single 12-month period, to finance the fight against drug abuse.

For every young person who dies of drug overuse—and there were almost 5,000 of them last year—there are thousands more who did not die but can only go through the motions of living. We are making progress. Total Federal seizures of drugs and arrests of drug traffickers are up sharply over previous years. Cooperation among Federal agencies is far, far better.

But our ability to deal with drugs depends, to a large extent, on the cooperation of other governments to work with us. Because Mexico today is the major source of heroin entering the United States, the first foreign head of state with whom I discussed narcotic-control cooperation was the President of Mexico. And last Friday, I met with the new President-elect of Mexico. He has assured me that during his 6-year term as President of that country, he will give the

United States full cooperation in this problem. And the record shows that with the continuing and growing support of the Government of Mexico, we can drastically curtail this source of drugs in the next year, and in the next year.

I call upon States and local governments to move forward with us until we bring the drug traffic under control. And I believe as I see the response of this wonderful organization here, representing not only local but State and international chiefs of police, we have a great opportunity to work together to do the job for the people throughout this world, and let's do it.

You know better than I, because you see it every day on the streets of your cities or in the areas of your States, crime is a terrible, terrible enemy to all of us. But we can beat it, and we will beat it.

But victory requires a continued, clear, and predictable policy. It requires real reverence for the law. I know that I can count on you and millions of others—millions and millions of law-abiding Americans—who believe with you and me, with us, that by fighting crime we are building freedom for all Americans.

Thank you very, very much.

NOTE: The President spoke at 11:35 a.m. in the Grand Ballroom at the Fontainebleau Hotel. In his opening remarks, he referred to Chief Richard C.

Clement, president of the association, Clarence M. Kelley, Director of the Federal Bureau of Investigation, and Mayor Harold Rosen of Miami Beach.

819

Remarks at the Villa Maria Nursing and Retirement Center in North Miami, Florida. *September 27, 1976*

I WANT to thank the administration and the diocese. I think the Villa Maria Nursing and Retirement Home epitomizes what kind of opportunities we want for all of our older citizens and all of those who are disabled and need the best care and attention.

History judges a nation on how well it takes care of its older people, and the United States of America has an obligation to do the maximum, because as I look around this room and have the opportunity to say hello and to express my best, I know how much all of you and your generation have done to make this country what it is today.

And so those of us, and younger generations than myself, have a moral obligation to make certain and to make positive that you have wonderful facilities like this, and that you have kind people like the nurses and the doctors and the ad-

ministrators—that they have a superb opportunity to do all they can to help you.

I promise you that our retirement nursing homes will be expanded, will be made more available, because we have a serious moral commitment and obligation to make a better America as you mature and as you retire, and I pledge that to all of you and to all like you.

Good luck, and God bless you.

NOTE: The President spoke at 12:45 p.m. in the Recreation Room.

820

Memorandum on Consumer Representation Plans.

September 27, 1976

Memorandum for the Heads of Executive Departments and Agencies

This year marks the celebration of our Nation's 200th Birthday. It is appropriate that we embark on the Tricentennial with a reaffirmation of government for the people, by the people. As one more step in this direction, this issue of the *Federal Register* includes Consumer Representation Plans developed at my request by 17 Federal Executive Branch Departments and Agencies.

In initiating this effort, my guidelines to the Departments and Agencies were that they should work from within and improve the existing structure, rather than create another new agency to oversee other agencies or establish an agency with an adversary function built into its mandate.

Let us not lose sight of our objective: this is a time for open government. Consumers rightly demand to be a part of the decision-making process. It has not taken us 200 years to realize this; however, it has taken too long to accomplish it. It is a basic premise of these plans that where the machinery and the techniques for assuring consumer representation already exist, they are to be strengthened and that where they do not exist, they will be instituted. Further, these Consumer Representation Plans shall always be subject to improvement when deficiencies are noted or when a new need becomes evident. The Federal Government must provide effective ways to assure consumer representation at the earliest possible stages of the decision-making process.

In the past, the consumer's right to be heard has not been fully recognized by all government agencies. Too often the consumer's voice has been treated lightly or overlooked entirely. In considering public interest policy, I expect govern-

ment decision-makers to balance the effect government policy will have between producers, distributors, transporters, retailers, labor and the consumers who support the entire system through the purchase of goods and services for personal, household or family use.

This can be accomplished only through participation. The consumer's right to be heard means that the consumer must be involved in the development of programs and participation in decision-making mechanisms that affect his or her interests. It means that the individual consumer with a complaint or a criticism must not only be heard, but that those complaints will be acted upon by the government.

The procedures embodied in the Consumer Representation Plans confirm an essential aspect of the way government must operate, with openness and candor.

I believe that certain other action must be taken at this time. Therefore, I am herewith directing implementation of the following:

1. The Special Assistant to the President for Consumer Affairs shall have continuing responsibility to monitor the extent and effectiveness with which Departments and Agencies carry forth the policies embodied in the Consumer Representation Plans.

2. The Office of Management and Budget shall assess during the annual budget process the effectiveness of the Consumer Representation Plans. With assistance from that office and that of the Departments and Agencies, my Special Assistant for Consumer Affairs shall develop a summary report evaluating the various consumer programs, and this report shall be released to the public.

3. Each Department and Agency shall instruct employees on the purposes and availability of the Representation Plans and shall maintain internal monitoring and evaluation systems. As need arises, the Consumer Representation Plan of that Department or Agency shall be strengthened, and any changes in the Plans presented here shall be duly noticed in the *Federal Register* with an appropriate period allowed for comment.

4. In recognition of the need for consumers to have direct access to appropriate Federal officials, each Department and Agency publishing in the *Federal Register* a rulemaking, regulation, guideline or other policy matter shall provide in a manner and format determined by the General Services Administration the name, address, and telephone number of the appropriate person responsible for responding to citizen inquiry or comment.

5. To further promote my declaration of consumer education, the Office of Consumer Affairs in the Department of Health, Education and Welfare has established an Interagency Consumer Education and Information Liaison. This

group and the Office of Consumer Affairs will provide technical support for the development, dissemination and use of education and information provided by the Federal Government to our schools and communities. It also prevents duplication within that program. To further this work, each Department and Agency shall support and participate to the extent they are charged with a consumer education and information function. Further, I am directing my Special Assistant for Consumer Affairs to coordinate this activity, encourage the participation of independent agencies outside the immediate Executive Branch Departments and Agencies, and provide me with an annual summary of the Federal Government's efforts in the area of consumer education and information.

6. To meet a special need of an important segment of our population, each Department and Agency shall cooperatively make every effort in regional and field offices to have available bilingual personnel, fluent in an appropriate language for the non-English speaking consumers who are regularly in need of contact with that office. Similar efforts shall be made, as appropriate, by headquarters offices in Washington, D.C. When a policy matter significantly affecting these segments of our population in their role as a consumer is proposed, Departments and Agencies shall make extra effort to reach these citizens through multi-lingual notices and all other appropriate means.

7. In order to assure dialogue on specific and general consumer concerns throughout the country, the Federal Executive Boards and the Federal Regional Councils shall establish, as appropriate, programs to help assure Federal liaison with individual consumers, as well as community and State and local consumer organizations. I am directing my Special Assistant for Consumer Affairs, in coordination with the Office of Management and Budget, to develop guidelines for this effort within thirty days.

8. After reviewing the functions of the Office of Consumer Affairs in the Department of Health, Education and Welfare, and the Consumer Information Center in the General Services Administration, I have decided each of their strengths in serving the consumer interest would be enhanced by a more consolidated approach. Therefore, I am directing my staff to seek methods that will strengthen that relationship, and to seek to accommodate the consolidation of staff, resources and functions of the Consumer Information Center with the Office of Consumer Affairs.

I believe these eight actions universally applied across the Executive Branch will enhance the Consumer Representation Plans which follow. The plans are, at this point, policy statements, and I am instructing each Department and Agency, where they have not done so, to implement them at once. In addition,

the Departments and Agencies, along with my Special Assistant for Consumer Affairs, shall ensure that there is wide public dissemination of information about the availability of procedures embodied in these Plans. I look forward to increased responsiveness of the Federal Government to consumer concerns. I also look forward to more American consumers participating in the decision-making process.

Finally, in September, the independent regulatory agencies will be submitting reports to me, in response to my request, on the expected improvements. I have asked these agencies to improve consumer representation as well as to provide improved economic analyses of the consequences of their proposed actions, to rely more on marketplace competition, and to eliminate regulatory delay.

This Memorandum and the accompanying Consumer Representation Plans shall be published in the *Federal Register*.

GERALD R. FORD

NOTE: This memorandum and accompanying Consumer Representation Plans are printed in the Federal Register of September 28, 1976 (41 FR 42763).

821

Message on the Observance of Ramadan.

September 28, 1976

ON THE occasion of Id al Fitr, the special holiday concluding the fasting month of Ramadan, Mrs. Ford and I send our warmest greetings to our fellow Americans of the Islamic Faith.

The diversity of our religious legacy has been a sustaining source of inspiration and a positive influence on our society ever since our Founding Fathers established a system of government dedicated to the principle of religious freedom. Celebrating the reaffirmation of your Faith, this feast is a particularly happy occasion for you and a reminder to the rest of us of the vitality and strength of your heritage in our national life.

Your rededication to Islam's spirit of compassion and human dignity fortifies not just you and your families, but our nation. It is with this in mind that Mrs. Ford and I wish you a most joyous and memorable observance.

GERALD R. FORD

822

**Special Message to the Congress Reporting on
Budget Deferrals. September 28, 1976**

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report routine revisions to two deferrals previously transmitted.

A deferral for the higher education program of the Office of Education has been increased by \$36.9 million. The Department of Defense's military construction deferral reflects a net increase of \$3.9 million.

The details of each revised deferral are contained in the attached reports.

GERALD R. FORD

The White House,
September 28, 1976.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of September 30, 1976 (41 FR 43360).

823

**Message to the Congress Transmitting Annual Report on the
Administration of Cooley's Anemia Programs.
September 28, 1976**

To the Congress of the United States:

I am pleased to send to the Congress the Fourth Annual Report on the Administration of the Cooley's Anemia Programs in accordance with the requirements of Section 1115 of the Public Health Service Act before it was amended by P.L. 94-278.

The Report describes the activities of the Health Services Administration (HSA), the Center for Disease Control (CDC), and the National Institutes of Health (NIH) in implementing the Public Health Service Act, as amended by the National Cooley's Anemia Control Act. Screening, counseling, and education activities are underway to provide such services to the public through ongoing genetic blood diseases programs. Efforts are continuing to improve laboratory methods for the detection of Cooley's anemia and expanded training programs for health personnel are improving the capability for such detection. Research in the diagnosis, treatment and prevention of Cooley's anemia is

progressing with continued high priority being given to the development and evaluation of more effective ways to reduce the iron load in the bodies of patients that has resulted from repeated blood transfusions required to maintain life.

GERALD R. FORD

The White House,
September 28, 1976.

NOTE: The report is entitled "Fourth Annual Report on the Administration of the Cooley's Anemia Programs" (9 pp. plus appendixes).

824

**Message to the Congress Transmitting Annual Report on the
World Weather Program. September 28, 1976**

To the Congress of the United States:

Weather and climate are at once familiar and sources of deep concern. Through technology, we have minimized the harmful effects of weather and have adapted our civilization to a wide range of climatic conditions. Yet, we now know how fragile is the balance between our activities and the environment. Understanding that balance is the key to the successful management of energy, food, and water resources and the beneficial application of technology. Our national goals in improving weather predictions and warnings and coping with the vagaries of climate cannot be accomplished except in the context of a world-wide endeavor. All nations play roles; the United States can be truly proud of our contributions.

The World Weather Program is the U.S. commitment to an effort that will affect every one of us. I am pleased to report significant and continuing progress in furthering the goals of the World Weather Program. The following accomplishments are representative of the progress being made:

—There has been a smooth transition into the operational use of geostationary meteorological satellites. The Western Hemisphere, much of the Atlantic, and part of the Pacific are now observed continuously. A nationwide network of Satellite Field Service Stations has been implemented by NOAA to capitalize on these new data. Hurricane and typhoon forecasting has been aided, for example, as has the observation, tracking, and warning of severe weather over the United States.

—The data processing system at the World Meteorological Center, Suitland,

Maryland, has been expanded through the operational use of a third, fourth-generation computer. This system is essential to handle the improved forecast models and the increased volume of data being received from the World Weather Watch.

—Augmented environmental monitoring and climatic programs have been initiated at the South Pole, American Samoa, and Barrow, Alaska.

—Engineering tests have been completed on large meteorological and oceanographic buoys. The first prototype operational system was moored 240 miles off the Oregon coast. Others are scheduled for operation this summer.

—The initial data-processing phase for the Global Atmospheric Research Program's (GARP) Atlantic Tropical Experiment has been completed and scientific analysis is well underway.

—A series of Data Systems Tests have been completed as a dress rehearsal for the First GARP Global Experiment which starts in 1978.

—The Global Experiment received major impetus when over 40 nations met in February 1976 and agreed to commit ships, buoys, balloon systems, satellites, and other critical facilities for the observational period planned for 1977–1979.

It is with pleasure that I transmit this annual report describing current planned Federal activities contributing to the World Weather Program. The report details how the United States is following the intent of Senate Concurrent Resolution 67 of the 90th Congress to participate in this international program.

GERALD R. FORD

The White House,
September 28, 1976.

NOTE: The message is printed in the report entitled "World Weather Program—Plan for Fiscal Year 1977" (Government Printing Office, 73 pp.).

825

Remarks Upon Signing the Land and Water Conservation Fund Bill. *September 28, 1976*

Secretary Kleppe, distinguished Members of the House and Senate, ladies and gentlemen:

It is really a great privilege and pleasure for me to have the opportunity of welcoming you all to the Rose Garden on this very significant and, I think, historic occasion.

Last month at Yellowstone National Park, I set a national goal of signifi-

cantly expanding the recreation facilities, national parks, and wildlife sanctuaries as our Bicentennial present to future generations.

Today, with the signing of this legislation to enlarge the Land and Water Conservation Fund, we take the first important step in that direction. Few, if any, Federal programs have provided more or better recreational opportunities than those financed through the Land and Water Conservation Fund.

In the last 12 years, some \$2 billion has been channeled through this Fund for the purchase and development of millions of acres of recreation land, where Americans can explore the wonders of nature, take part in a variety of sports facilities and activities, or just relax and get away from it all.

With the increased authorization which this legislation provides, more than 6 million new acres of land will be set aside for recreational purposes over the next 12 years. In addition, this bill will establish an historic preservation fund to provide Federal assistance for the acquisition and preservation of important historic sites throughout America.

As we enter our third century of independence, the American people have taken special pride in the landmarks of our past. This new fund will ensure that Americans who celebrate the Tricentennial will be able to enjoy an even more complete celebration of our Nation's history.

I must say, there are certain procedural requirements in this bill to which I do object and for which I will seek amendments in subsequent legislation. But I wholeheartedly and enthusiastically endorse the basic thrust and the purpose of this legislation to enhance our quality of life, to enrich our treasure of natural beauty, and to preserve it as our heritage to coming generations of America.

Therefore, I congratulate the Members of the House and the Senate who have worked on this legislation and the others who have participated. I am pleased and very proud to have the opportunity of signing this bill into law.

NOTE: The President spoke at 11:30 a.m. at a ceremony in the Rose Garden at the White House. In his opening remarks, he referred to Secretary of the

Interior Thomas S. Kleppe.

As enacted, the bill (S. 327) is Public Law 94-422 (90 Stat. 1313).

826

Statement on Signing the Land and Water Conservation Fund Bill. *September 28, 1976*

TODAY, with great pleasure, I am signing into law S. 327, a bill which will substantially increase the authorization levels for the Land and Water Conservation Fund over the next several years.

I believe it can be fairly said that few Federal programs have given more wholesome recreation to Americans than the activities financed from the Land and Water Conservation Fund. In the decade of the Fund's existence, some \$2 billion has been channeled into the purchase and development of outdoor recreation lands—places where Americans can participate in competitive sports, learn about nature, or simply find relief from crowds and bustle.

About \$800 million over the last 10 years has been used to finance the purchase of Federal recreation lands—over 1.5 million acres of land for national parks, wildlife refuges, wilderness, and other recreational areas. \$1.2 billion has been channeled to States and local communities as matching grants supporting the purchase of 1.4 million acres of land and the development of 10,000 recreational projects.

With the increased authorization for the Land and Water Conservation Fund, we estimate that over 6 million more acres of land will be purchased and set aside for recreational purposes through fiscal year 1989. Over the 25-year life of the Fund, land in excess of the area of the States of Connecticut, Rhode Island, and Massachusetts will have been bought for Land and Water Fund recreational purposes. This truly will be a heritage treasured by future generations.

In addition, S. 327 will establish the National Historic Preservation Fund to provide matching Federal assistance to State governments and private individuals for the acquisition and preservation of important historic sites.

What better way can there be, in this Bicentennial Year, to commemorate our Nation's rich history than to pledge to preserve outstanding examples of it for future Americans? In celebrating our Bicentennial this year, I and millions of others have been inspired to reflect on our history and the progress we have made. The National Historic Preservation Fund will assure that our historic sites and structures will continue to be available to provide this inspiration.

This preservation of historic sites and structures will be achieved through a creative partnership between various levels of government and the private sector. The Federal Government will provide technical and financial assistance, the States will plan the programs, and the bulk of the actual preservation work will be done at the local level, by private individuals. This is appropriate. The preservation movement is a citizen's movement, an example of productive cooperation among the Federal, State, and local governments, and the private sector. Government can nurture this movement, but we must remember that it gains its greatest strength from the individual pride in the Nation's past.

Unfortunately, S. 327 also provides for certain changes in the procedures of the Advisory Council on Historic Preservation which would compromise executive branch functions. I find these provisions unacceptable, as well as unnecessary to the effective operation of the Advisory Council.

The first provision would require the concurrent submission of Advisory Council budget requests to Congress and to the President. The second would require concurrent submission of the Advisory Council's legislative proposals. Each requirement would make it difficult for me to develop and present to the Congress coherent and coordinated budget and legislative programs.

We will submit to the Congress legislation which would correct these provisions, and I will strongly urge its passage during the first session of the next Congress.

In summary, I am pleased today to sign S. 327. With my Bicentennial Land Heritage Program and S. 327, we will have a program of which we can be proud. These two measures will provide increased recreational opportunities for present and future Americans, and will preserve for the future a great treasure of natural areas and historic resources. S. 327 provides the authorization for greatly accelerated land acquisition and historic preservation efforts assuring the continued momentum of our national preservation program. The Bicentennial Land Heritage Program will assure that these resources are developed and maintained to the highest standards.

As America looks toward her third century, we draw strength from our past. Our heritage of natural areas and the remaining records of our cultural history provide a reassuring sense of the direction from which we have come and a respite from the tensions of continuing progress. It is essential that we preserve our natural areas and historic resources in the face of progress. I pledge to do all I can to further this goal.

827

**Remarks Upon Signing the Public Safety Officers'
Benefits Act of 1976. September 29, 1976**

Distinguished Members of the House and Senate, members of the Cabinet, distinguished guests, ladies and gentlemen:

Two days ago in Miami, Florida, I declared a major new escalation in America's war on crime. I outlined plans as follows: to completely revise the Federal Criminal Code; to expand the demonstrably successful career criminal pro-

gram; to impose mandatory sentences for certain Federal crimes; to explore new ways of preventing juvenile crime; and to take other steps to make the Federal fight against crime a model for State and local efforts throughout the Nation.

There is no more important work to be done in our society than ensuring domestic tranquility, as the Constitution requires, and protecting the lives and property of the American people. This means that America's 600,000 Federal, State, and local public service officers are among our most important and valuable citizens. We owe these dedicated public servants more than gratitude, more than praise. We owe them as well as their families the fullest measure of protection that we can provide.

We are now providing the most sophisticated equipment, the best training, and the greatest financial and moral support that we can. But it is these courageous men and women themselves who stand on the frontlines of America's war on crime. They take the risks, they suffer the injuries, and they are the ones who lay their lives on the line every day for the rest of us in this country.

In 1975, 126 officers were killed in the line of duty; 49 were killed in the first 4 months of this year. Violent death has also claimed its grim toll of firefighters and other public safety officers whose courage is equally admirable, whose jobs are no less essential, and whose lives are just as precious. There is no way that we can fully compensate for this loss of life in our public service, but we have a clear obligation to help as much as we can.

The Congress has passed—and I congratulate the Members of the House and Senate on both sides of the aisle—the Public Service [Safety] Officers' Benefits Act of 1976. This legislation provides that the Federal Government will pay a \$50,000 benefit to the surviving dependents of public service officers who are killed in the line of duty. This includes not only policemen but firemen, prison guards, parole and probation officers, and court officials. This act demonstrates the esteem of a free society for those whom it entrusts with our public and personal safety.

It's with great pride and pleasure that I sign this legislation, and I congratulate the Congress for its efforts which I think are long overdue in this regard.

NOTE: The President spoke at 12:02 p.m. at a ceremony in the Rose Garden at the White House.

As enacted, the bill (H.R. 366) is Public Law 94-430 (90 Stat. 1346).

828

Statement on Signing the Public Safety Officers' Benefits Act of 1976. September 29, 1976

I HAVE today signed into law H.R. 366, the Public Safety Officers' Benefits Act of 1976.

This law establishes a new program providing for the payment by the Federal Government of a \$50,000 death benefit to the survivors of any State or local public safety officer who loses her or his life as a result of injuries sustained in the line of duty.

I fully recognize that no amount of money can fill the void left when these brave officers make the supreme sacrifice in pursuit of their duties. The least the Federal Government can do is to assure that their dependents have adequate financial assistance to see them through their difficulties.

The signing into law of this bill is a solemn action by a grateful people and their Government. It demonstrates the esteem of a free society for those of its members entrusted with public safety.

While it is important that the survivors of public safety officers who die in the line of duty be provided for, it is infinitely more important that steps be taken to avoid unnecessary death or injury to those who protect our safety. This is why I have pledged that a top priority during the first 100 days of my next administration will be devoted to rallying the American people behind the legislative proposals I have submitted to the Congress so that the Federal Government may better do its part to reduce crime in the United States.

It is with great pride and pleasure that I have signed this act into law.

829

Statement on Signing the Olympic Winter Games Authorization Act of 1976. September 29, 1976

I HAVE signed into law S. 2184, a bill to authorize Federal financial assistance for planning, design, and construction or improvement of facilities for the 1980 Olympic winter games at Lake Placid, N.Y.

This legislation will not only furnish the resources necessary for the next winter Olympic games to be held in the United States, it will also provide train-

ing facilities for future American Olympic athletes, which will enhance their ability to compete with heavily subsidized teams from other nations.

I am committed to the improvement of amateur sports in the United States and the strengthening of our Olympic teams. I believe that this can be accomplished without massive government interference or subsidies. For this reason, my proposal for Federal financing of the Lake Placid games, which I introduced last May, entailed only the construction of permanent, unique sports facilities at a cost of \$28 million in grants to the Lake Placid Olympic Organizing Committee.

The bill I am approving today authorizes \$49,040,000 for permanent facilities and for other capital funding needed for the games. The additional authorization provided in this bill is intended to provide temporary and support facilities (i.e., housing, spectator, and administration facilities), and support services for the games.

I continue to believe that this additional financial assistance should not be provided by the Federal taxpayer. Accordingly, I am asking Secretary Richardson to take action to fund the permanent, unique facilities covered in the administration's proposal of May 10, 1976. I am also asking that he meet with the Lake Placid Olympic Committee to review its needs for related facilities and to seek ways to meet those needs without additional Federal expenditure.

NOTE: As enacted, S. 2184, approved September 28, 1976, is Public Law 94-427 (90 Stat. 1336).

830

Veto of the Appropriations Bill for the Departments of Labor and Health, Education, and Welfare.

September 29, 1976

To the House of Representatives:

Just before adjourning for the final weeks of the election campaign, the Congress has sent me H.R. 14232, the Departments of Labor, and Health, Education, and Welfare appropriations for fiscal year 1977 which begins October 1. This last and second largest of the major Federal appropriation bills to be considered by this Congress is a perfect example of the triumph of election-year politics over fiscal restraint and responsibility to the hard-pressed American taxpayers.

Contained in this bill are appropriations for numerous essential domestic programs which have worthy purposes. My budget for these purposes totaled \$52.5

billion, \$700 million more than this year. Since 1970 expenditures for these programs have increased at a rate 75% greater than the rate of growth in the overall Federal Budget. Therefore, my 1977 proposals included substantial reforms in the major areas covered by these appropriations designed to improve their efficiency and reduce the growth of Federal bureaucracy and red tape.

The majority in control of this Congress has ignored my reform proposals and added nearly \$4 billion in additional spending onto these programs.

The partisan political purpose of this bill is patently clear. It is to present me with the choice of vetoing these inflationary increases and appearing heedless of the human needs which these Federal programs were intended to meet, or to sign the measure and demonstrate inconsistency with my previous anti-inflationary vetoes on behalf of the American taxpayer.

It is to present me with the dilemma of offending the voting groups who benefit by these government programs, or offending those primarily concerned with certain restrictions embodied in the bill.

I am sympathetic to the purposes of most of these programs. I agree with the restriction on the use of Federal funds for abortion. My objection to this legislation is based purely and simply on the issue of fiscal integrity.

I believe the American people are wiser than the Congress thinks. They know that compassion on the part of the Federal Government involves more than taking additional cash from their paychecks. They know that inflationary spending and larger deficits must be paid for not only by all Federal taxpayers but by every citizen, including the poor, the unemployed, the retired persons on fixed incomes, through the inevitable reduction in the purchasing power of their dollars.

I believe strongly in compassionate concern for those who cannot help themselves, but I have compassion for the taxpayer, too. My sense of compassion also says that we shouldn't ask the taxpayers to spend their money for a tangled mess of programs that the Congress itself has shown all too often to be wasteful and inefficient—programs which all too often fail to really help those in need.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

But when you examine this bill carefully you discover that what the Congress says has very little to do with what the Congress does.

If the Congress really cared about cutting inflation and controlling Federal

spending, would it send me a bill that is \$4 billion over my \$52.5 billion request?

If the Congress really wanted to stop fraud and abuse in Federal programs like Medicaid, would it appropriate more money this year than it did last year without any reform?

If the Congress really wanted to end duplication and overlap in Federal activities, would it continue all of these narrow programs this year—at higher funding levels than last year?

If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would it ignore serious reform proposals?

The resounding answer to all of these questions is *no*.

Our longtime ally, Great Britain, has now reached a critical point in its illustrious history. The British people must now make some very painful decisions on government spending. As Prime Minister Callaghan courageously said just yesterday, "Britain for too long has lived on borrowed time, borrowed money and borrowed ideas. We will fail if we think we can buy our way out of our present difficulties by printing confetti money and by paying ourselves more than we earn."

I cannot ask American taxpayers to accept unwarranted spending increases without a commitment to serious reform. I do not believe the people want more bureaucratic business as usual. I believe the people want the reforms I have proposed which would target the dollars on those in real need while reducing Federal interference in our daily lives and returning more decision-making freedom to State and local levels where it belongs.

I therefore return without my approval H.R. 14323 [14232], and urge the Congress to enact immediately my budget proposals and to adopt my program reforms.

GERALD R. FORD

The White House,
September 29, 1976.

NOTE: With the votes in both the House and Senate on September 30 to override the President's veto,

H.R. 14232 was enacted as Public Law 94-439 (90 Stat. 1418).

831

**The President's News Conference of
*September 30, 1976***

REPORTER. Mr. President, you are well aware of all the stories of allegations concerning your Grand Rapids past and the campaign financing, I know, and that the records allegedly have been subpoenaed by a Special Prosecutor. So, this must be very disturbing, and I suppose you want it cleared up before the election.

I know that you believe that the Judiciary Committee covered it all. But can you say categorically that there has never been any misuse of any of your campaign funds when you ran for Congress?

THE PRESIDENT. First, let me say very emphatically that I strongly believe in the Special Prosecutor concept. I supported, the administration supports the continuation of a Special Prosecutor. I was pleased when the Senate passed a version that included such a provision. And I am disappointed that the House apparently is not going to do it. I should add that I have full confidence in the integrity of Mr. Ruff in his responsibilities as the Special Prosecutor.

Number two, I also believe in the full integrity of the Department of Justice, and I am certain that they will do whatever they are required to under their responsibilities.

Let me add that nobody on my staff has any authority whatsoever to contact either the Special Prosecutor or the Department of Justice to, in any way, hinder or impede whatever investigations are going on.

What I know about the Kent County situation I have picked up in reading the newspapers or seeing on television or radio what has been reported.

I, therefore, am not familiar with the precise charges, whatever they may be. But I can say with complete confidence that I am certain that when the investigation is completed, that I will be free of any allegations such as I've read about.

I would add this final comment: There is a saying that's prevalent in the law that "justice delayed is justice denied." And I am certain that the people responsible for any investigation will live up to the high standards required in the canon of ethics for the legal profession, which does require that in any such investigations that they be full, complete, and concluded as readily as possible.

Q. Well, you don't know for certain whether there are charges or whether you are the target, or do you——

THE PRESIDENT. No.

Q. And doesn't your curiosity—even if you made public the fact that you were going to ask, I don't think that that would be undue pressure, would it?

THE PRESIDENT. We are trying to be so circumspect, so that we are not under any circumstances accused of any improprieties, that I have told members of my staff that under no circumstances should they make contacts with either the Special Prosecutor or the Department of Justice.

Q. Mr. President, don't you have the right under the current law to ask if you are the target of the Special Prosecutor's investigation? And if that's the case, why don't you want to know that, at least?

THE PRESIDENT. I can't tell you whether under the law I can or can't. But even if we do have that right, I think an inquiry by me or somebody on my staff would undoubtedly be misconstrued, and I just don't want any such allegation being made by anybody.

Q. Mr. President, could you clear up a matter that has been pending for some time and was referred to in this investigation—or at least it was referred to in a newspaper article the other day—that when you were in the House you used to go down here to the Seamen's Institute, I think 22d Street or somewhere, like a lot of other House Members did of both parties, and read a little speech that they gave you to read at noon luncheons, and then they would give you a nice little check, maybe they would give you an extra \$1,000 or \$500 because you were majority—minority leader? I am sure this was probably done by a lot of other Congressmen, but was that true?

THE PRESIDENT. Any time I make a speech, Sarah [Sarah McClendon, McClendon News Service], I solicit from members of my staff—I did up in the House—and I asked any organization that I was speaking to to give me ideas on what they thought would be appropriate comments in speaking to that organization.

In the case of the meetings that you speak of, it was before the joint maritime labor organization—that's not the right term—but it's a combination of all the labor organizations that are involved in the maritime industry.

Yes, I asked them for suggestions as to what they thought would be appropriate for discussion before their group. And they, along with the executive branch of the government that had jurisdiction over shipbuilding or any aspects of the maritime industry—I also got recommendations from them. And this combination of ideas for a speech, people on my staff put together in a speech.

But they were not the ones who wrote the speech that you are speaking of. They submitted what they thought would be appropriate, and we took their ideas with the suggestions from the staff committees on the House and Senate side, the executive department people, the labor organizations, from the maritime industry overall, and that combination of information went into whatever speeches I made. I think that's a very appropriate way to handle it.

Q. Did they give you a check for this, sir?

THE PRESIDENT. Oh, yes, and those checks were fully reported on my income tax returns. They were reported to any other authority that required it. And all of that matter was looked into by the House and Senate committees at the time of my Vice-Presidential hearing.

Q. But if they had matters pending before the Congress, did you think that was right to take that money when they had matters pending before the Congress?

THE PRESIDENT. Well, I was deeply interested in the new legislation that was before the House and the Senate to expand and upgrade our maritime industry. That was a group that likewise felt that way, and I think it was proper.

Q. Mr. President, in your golf outings or social occasions or other vacations with Rod Markley of Ford Motor Company or U.S. Steel, did you discuss Government business with them either when you were a Member of the House or Vice President or President?

THE PRESIDENT. Not to my best recollection.

Q. You never discussed business?

THE PRESIDENT. No.

Q. Mr. President, do you think in the headlines that have run for about the last 10 days and the fact that some of these potential allegations have not been resolved, that there has been any damaging effect on your campaign, or would there be if "justice delayed" means that there is no resolution of this before November 2?

THE PRESIDENT. Well, I think it's vitally important that any aspects of either one of these matters be fully resolved as quickly as possible. I have no way of knowing what the impact is politically.

Q. Mr. President, one of the issues raised is whether any of this campaign money was actually ever diverted to your personal use. Would you like to say flatly whether that was so or not?

THE PRESIDENT. Well, I don't know whether that's an allegation that's being investigated by the Special Prosecutor's Office, but I can say that there was never money given to me by the Kent County Republican Committee. The Kent

County Republican Committee may have done some advertising on behalf of my candidacy or the candidacy of other Republican candidates running for public office. That's their function.

They, just for example, always the last week or so, would have a full-page ad with the gubernatorial candidate and the senatorial candidate, the congressional candidate, plus some State legislative officers, and so I suppose they spent their money on that, which is a perfectly proper function of the Kent County Republican Finance Committee and county organization. No money ever went to me personally.

Q. Mr. President, does the timing of the Special Prosecutor's investigation seem strange to you, or do you question the motivation?

THE PRESIDENT. I would not under any circumstances question the motivation or the timing.

Q. Mr. President, are you holding this press conference because Jimmy Carter has accused you of keeping silent on these matters?

THE PRESIDENT. Not at all.

Q. Mr. President, your staff says they are having some trouble getting records of all these various golfing trips and what-not. Have you ever asked Mr. Whyte¹ if he has records?

THE PRESIDENT. Well, it's my understanding that Mr. Whyte issued a two- or three-page statement a week or 10 days ago which outlined the circumstances of the three trips up to Pine Valley and the two down to Disneyland. I understand he issued that.

Q. I mean records of what it cost and who paid and all that sort of thing.

THE PRESIDENT. Well, I have no access to their records, so they will have to answer that.

Q. Mr. President, you have said that it's vitally important that the matter be resolved as soon as possible. Is it your wish that it be resolved before the election? It is vitally important so the voters can see the full story, or the true story.

THE PRESIDENT. Well, it's more important to me personally that it be cleared up because I am very proud of my record of personal integrity. And I think that's more important than any impact it might have on the election.

Q. Mr. President, may I just ask you this question: Those marine unions, the Seafarers and the Marine Engineers, supported you down through the years. Then you vetoed a bill that they wanted—I forget the name of it, but I am sure you recall it. After that they shifted over to Jimmy Carter. Do you have

¹ William G. Whyte, vice president of public affairs of U.S. Steel Corporation.

any feeling that maybe somebody in the Carter camp may have made some allegation to the Special Prosecutor and that's what triggered this, or is there a political motivation in there somewhere?

THE PRESIDENT. Bob [Bob Schieffer, CBS News], I wouldn't make any allegations of that kind. I don't think—since I don't know—I don't think I ought to make any comment.

Q. Well obviously, though, the Special Prosecutor wouldn't open an investigation, I would think, on just the basis of rumors. Somebody had to make an allegation there.

THE PRESIDENT. What impresses me the most is a statement by the former Special Prosecutor, Leon Jaworski, who has said, as I understand it, publicly, that before he left the office of Special Prosecutor he looked into such matters, and he came to the conclusion that there was no reason for action.

Now, that in no way challenges the right or the integrity of Mr. Ruff. But where any such charges came from, I would have no idea.

Q. Let me just make one followup. If I understand it, Mr. Jaworski said that he had investigated the Seafarers Union, and I think that was in relation to a \$100,000 contribution they made to Richard Nixon. As far as I know, he's never said that he looked into MEBA [Marine Engineers Beneficial Association]—the Marine Engineers. Do you know in fact whether or not he did?

THE PRESIDENT. No, I can't be that precise.

Q. Mr. President, you said that you instructed that your staff shouldn't make any contacts to the Attorney General or to the prosecutor. Have there been any contacts made by any of these agencies to you, so that you have any information at all either that this is going to be resolved quickly or any information at all?

THE PRESIDENT. I have no information whatsoever.

Q. Mr. President, do you have any information from people back in your old home district, the fifth district, that may have contacted you, presumably old friends of yours?

THE PRESIDENT. I read the Grand Rapids Press, which is a good newspaper, and I read stories concerning this and quotations from people who were former county chairmen or presently county chairmen, so I know what they've said. But they haven't talked extensively about the investigation. I guess they felt that they had testified or made their comments to whoever was investigating it, and they didn't really say very much.

Q. But you haven't talked to any of them personally?

THE PRESIDENT. No.

Q. Mr. President, a number of Pentagon military officers have received

disciplinary reprimands for accepting freebies—free weekends, hunting expeditions. If you think there is nothing improper about a Congressman accepting free golfing weekends, what distinction is there?

THE PRESIDENT. Well, the House passed a resolution sometime in 1968, as I understand it, which says nothing of significance or substance should be received. I do not feel that there was any impropriety on my part or any violation of that regulation.

I am an avid golfer. Most of you know it. I enjoy the company of people while I am playing golf. Every person that's been involved in these allegations I have reciprocated with as far as they coming either to my golf club or coming to our home.

There has been, I would say, substantial reciprocity. And whatever the circumstances of our getting together, has been in a proper way and in no way a violation, in my judgment, of any rule or ethical standard. These are close personal friends and have been for many years. And I have never accepted—or I don't believe they have tendered—any such things on the basis of seeking any special privilege or anything that was improper.

Q. Mr. President, on June 15, before the Southern Baptist Convention, you condemned very strongly what you call "situation ethics," and I was wondering why this golfing vacation wasn't really "situation ethics." When at that time, you said the American people, particularly our young people, cannot be expected to take pride or even to participate in a system of government that is defiled and dishonored, whether in the White House or the halls of Congress.

My question is, do you feel that in view of what the White House has admitted, you have lived up to your own standards here?

THE PRESIDENT. I have said that I don't consider these infrequent weekends a violation of either the rules of the House or any ethical standards. I explained that these were longstanding personal relationships, where there has been virtual reciprocity, and I wouldn't have accepted if there had been any thought in my mind that it was improper or the violation of any code of ethics.

Q. Isn't that "situation ethics" though?

THE PRESIDENT. I don't think so.

Q. Mr. President, to follow up on Fran Lewine's [Frances L. Lewine, Associated Press] question earlier, she asked you if any of the funds had been diverted for personal use, and your answer, sir, was that you had never received any funds from Kent County. Are we to understand that as a "no," that you have never used any of these funds for personal use?

THE PRESIDENT. From the Kent County Republican Committee?

Q. From any campaign fund?

THE PRESIDENT. I will say any campaign funds for personal use.

Q. Do you find these stories personally painful, someone questioning your integrity?

THE PRESIDENT. Well, it naturally has some impact when I know that all of these things have been investigated by some 400 FBI agents and 5 to 6 Internal Revenue agents, with my income taxes going back to 8 or 9 years, when I know that I have been given a clean bill of health not only by the FBI but the Internal Revenue Service, by the Senate and House committees, and an overwhelming vote in the House and Senate.

When I look at the investigation that was made of my personal life, the financial circumstances, probably more than anybody else in the history of this country, I know that there is no problem. So I guess to some extent one is bothered a bit. But as long as my conscience is clear I have no real problem.

Q. Sir, you brought up the matter of the income tax. It's proper, isn't it, if in case a person receives a gift, say of an airplane ticket or something of that sort, it has to be listed on their income tax as a gift? Or does reciprocity cover that when you buy a ticket later?

THE PRESIDENT. I am not familiar with the details of that, but the IRS went into all of these matters. They closed out my income tax returns for back 8 or 9 years. They had people go into these with minute detail so I—

Q. Well, what I am asking is, actually I am asking for your legal advice.

THE PRESIDENT. Well, I am not here to give you any legal advice.

Q. Mr. President, is this longstanding personal relationship, personal and friendship though it may be—is nevertheless valuable to United States Steel and to the Ford Motor Company, much as the employers of other people who are friends of yours—for example, John Byrnes,² who represents a great many interests in this town on tax reform, and—perhaps coincidentally, perhaps you believe this—your position is about like his on tax reform?

I asked you earlier whether you had discussed business with them during these social outings. Rod Markley said you and he discussed the Clean Air Act. I wonder, do you not see that it is to their benefit for you to have this personal relationship?

THE PRESIDENT. Let me modify what I said a moment ago. In a casual way, of course we might informally talk about certain matters, but I happen to feel that they were not asking me and I was not asking them. The times I've played with Rod have been at Burning Tree, where we are both members and both pay

² U.S. Representative from Wisconsin 1945–73.

our own way. John Byrnes, I played golf with him because he is a friend of 28-plus years. I don't see anything improper at all.

Q. Do you think that you can separate——

THE PRESIDENT. Absolutely.

Q. ——their business as lobbyists and their representation of their corporations from your personal friendship?

THE PRESIDENT. As a matter of fact, some of their comments could be helpful in what the status is.

Q. Mr. President, yet that seems to be the issue that Carter is raising, though. He seems to be raising the old buddy system issue and saying, in fact, that you can't. Now what can you say to counter that? How can you?

THE PRESIDENT. Maybe he can't, but I can.

Q. Mr. President, may I ask you, you now are aware that some of these expenses were actually paid by the companies and not by your friends. But you were paying, when you had them to your home, you were paying yourself, the taxpayers were not taking care of this. So these companies in effect were financing some of this. What is your thinking about why they wanted to do this, why they were willing to entertain you on these weekends?

THE PRESIDENT. I think you would have to ask the people who offered the invitation. These are personal friends, and I don't ask in advance why you want to pay my green fees. I think that's a matter for them on the basis of their own integrity.

Q. Mr. President, you have been through one debate. Have you got any thoughts on the second one as to a change in format, or anything you would like to do differently?

THE PRESIDENT. We are very satisfied with the format that was used in the first debate. I thought it went very well.

Q. Mr. President, you look more worried than I've seen you in a long time.

THE PRESIDENT. Worried?

Q. Yes, sir. You haven't smiled very much in this news conference. You really look troubled, and I have known you for 10 years. Does this bother you? Is it something that's going to hurt you badly in the campaign?

THE PRESIDENT. I answered a moment ago I am more concerned about my personal reputation. But I am not unhappy. I just am worried about getting over to the signing ceremony for one of these bill signings.

NOTE: President Ford's thirty-seventh news conference began at 11:50 a.m. in the Oval Office at the White House.

832

Remarks Upon Signing Two Veterans Benefits Bills.*September 30, 1976*

Distinguished Members of the Congress, representatives of the various veterans organizations, ladies and gentlemen:

I really enjoy the opportunity to have you down here for this very auspicious occasion. When I finish my remarks, I will sign the two bills that are before me. And I am very pleased to have the opportunity to sign both bills, which will protect pensions and increase disability payments for some 5 million veterans and their survivors.

The bills will ensure that benefits which these veterans have earned for themselves and their families will keep pace with the cost of living. These bills represent another step in our continuing effort to fulfill the words spoken more than a century ago, and I quote: "To care for him who shall have borne the battle and for his widow and for his orphan."

In December 1975, I signed a bill providing a temporary cost-of-living increase in veterans' pensions for the first 9 months of this year. One of the bills I am signing today will make this increase permanent. It will protect more than 2¼ million veterans and their families from having their pension payments reduced next week. In addition, it will provide a 7-percent cost-of-living increase in pension benefits for the first of next year.

The second bill that will be signed will raise by 8 percent disability payments for more than 2 million service-disabled veterans. It will also increase some other special benefit payments.

As Commander in Chief and as a citizen, I salute our veterans organizations, which played such an important role in developing this legislation. They are doing a first-rate job of representing the legitimate interests of veterans and their families.

Our Veterans Administration is also playing its part in making life better for our veterans in this country. Under the leadership of my good friend Dick Roudebush, it has made tremendous strides forward. We are going to make sure that this progress continues. For medical needs in particular, my budgets for fiscal years 1976 and 1977 have provided more funding, more personnel, and better facilities to give eligible veterans the highest quality, fastest service possible.

I have requested funds to construct two new VA hospitals and the funds to design six more, which will be built as readily as possible.

The administration is committed to doing right by the American veterans. They served their country well in time of war. It is only right we serve them well in times of peace.

The administration is also committed to continuing the fight against inflation. The threat it poses to Americans living on fixed pensions and benefits, such as veterans and the elderly, cannot be tolerated. While adjusting social security and veterans benefits for the cost of living, we will continue to do everything we can to remove the underlying causes of inflation. In the long run, that is the only way to ensure the economic security of all Americans.

Now it is my pleasure to sign H.R. 14298 and to commend the Members of Congress, particularly the two veterans committees, and all Members, for enacting this legislation which, as I said, is a way of our expressing to all of them, the veterans of America, the great respect and admiration that we have for all of them.

Thank you very much.

NOTE: The President spoke at 12:21 p.m. at a ceremony in the East Room at the White House.

As enacted, the bills (H.R. 14298 and 14299) are

Public Law 94-432 (90 Stat. 1369) and 94-433 (90 Stat. 1374), respectively.

833

Statement on Signing Two Veterans Benefits Bills.

September 30, 1976

I AM pleased to sign into law H.R. 14298 and H.R. 14299, bills which will provide cost-of-living increases in pension and compensation payments for approximately 5 million veterans and their survivors. These increases will become effective this Friday, October 1, 1976.

Last December 1975, I signed a bill that provided a temporary cost-of-living increase in veterans pensions for the first 9 months of this year. One of the bills I am signing today, H.R. 14298, would make that increase permanent and thus prevent more than 2¼ million veterans and their families from having their pension payments reduced next week. This bill, in addition, will provide a 7-percent cost-of-living increase in pension benefits beginning January 1, 1977.

The second bill I am signing, H.R. 14299, will raise compensation benefits for service-disabled veterans and their survivors by 8 percent on October 1, 1976,

and will increase a number of other special benefit payments based on service-connected disability.

Federal benefit payments to veterans and their survivors have been regularly adjusted over the years to reflect changing economic conditions. The enactment of these bills into law provides continuing recognition of our commitment to assure that the benefits to which veterans and their families are entitled keep pace with the cost of living.

Our Nation's veterans served well when their country called, and we have a duty in return to provide adequately for their disability and retirement needs. I believe these bills are positive steps toward meeting those needs of the men and women who have served in our Armed Forces.

I am pleased to sign both bills into law.

834

Statement on Signing the Military Construction Authorization Bill. September 30, 1976

I AM today signing H.R. 14846, the Military Construction Authorization Act for fiscal year 1977. H.R. 14846 provides a comprehensive construction program for fiscal year 1977 keyed to recognize military requirements.

Three months ago, I vetoed its predecessor, H.R. 12384, because it contained highly objectionable provisions that would have delayed for at least a year almost any action to close or realign a major military installation. Such unnecessary delay would have wasted defense dollars which are needed to strengthen our military capabilities and would also have substantially limited my powers as Commander in Chief over our military installations. This was obviously unacceptable and Congress sustained my veto.

The bill which I am signing today represents a substantial compromise on behalf of the Congress and refreshes my faith in the system of checks and balances established by our Constitution. The requirement of a year's delay, which I vetoed, has been replaced in H.R. 14846 by a 60-day waiting period. While I believe that current procedures provide adequate time for the Congress and other interested parties to review base realignment actions, the 60-day waiting period represents a compromise which I accept.

Since the 60-day delay is imposed after the completion of required studies and the announcement of the official realignment decision, further delay would

waste essential defense resources. Thus, I am directing the Secretary of Defense to implement realignment plans at the conclusion of this 60-day period.

Finally, my concern for the economic difficulties faced by individuals and communities affected by defense realignments is well known. On July 12 of this year, I directed the heads of 20 Federal departments and agencies to strengthen their efforts to deal with all aspects of the problem. It should be noted that concerned departments and agencies have worked effectively with 136 communities in 40 States over the past 6 years, and have achieved notable results.

I am equally committed, however, to the principle that our economic adjustment efforts in communities affected by realignments must remain separate from national defense decisions to realign military installations. This legislation does not make base realignment decisions contingent upon the economic impact such decisions may have upon communities where affected bases are located. In this regard, the Senate Committee report on this bill states:

“ . . . the decision to close or reduce a military installation must be based on military necessity with due regard for environmental impact. Military bases cannot be maintained to support other than national defense requirements.”

In summary, H.R. 14846 provides a satisfactory and much needed military construction program for fiscal year 1977. I am confident that the bill will enable us to meet our essential military requirements in a responsible and cost-effective manner.

NOTE: As enacted, H.R. 14846, approved September 30, 1976, is Public Law 94-431 (90 Stat. 1349).

835

Statement on Congressional Action Extending the General Revenue Sharing Program. *September 30, 1976*

I AM most pleased that Congress has today passed the extension of the general revenue sharing program.

General revenue sharing has proven to be a triumph of the conviction that State, county, city, and local government can be far more responsive and flexible in serving citizens than distant bureaucracies and special interest programs.

Revenue sharing has only one special interest: the return of tax dollars to local authorities so they can best determine how to solve community problems with community solutions.

Without the passage of this program, county executives would have been faced with cutting essential services or raising property taxes; States, which use

the majority of their funds for education, would have been confronted with the possibility of severe reductions in school aid; and cities would have had their already tight fiscal condition further burdened.

I proposed the extension of general revenue sharing on April 25, 1975, and have worked closely and continuously since then with State and local officials to secure passage of this legislation. While the bill passed by Congress today is not all that I and the mayors, county executives, and Governors had hoped for, it does assure continued growth of this vital program.

Today's action is a most significant accomplishment, and all who participated in bringing about this victory are to be congratulated.

NOTE: As enacted, the bill (H.R. 13367), approved October 13, 1976, is Public Law 94-488 (90 Stat. 2341).

836

Statement on Signing the Hart-Scott-Rodino Antitrust Improvements Act of 1976. *September 30, 1976*

AFTER CAREFUL reflection, I am signing into law today H.R. 8532, the Hart-Scott-Rodino Antitrust Improvements Act of 1976. This bill contains three titles, two of which my administration has supported and one—the “*parens patriae*” title—which I believe is of dubious merit.

Competition and antitrust policies

I am proud of my administration's record of commitment to antitrust enforcement. Antitrust laws provide an important means to achieving fair competition. Our Nation has become the economic ideal of the free world because of the vigorous competition permitted by the free enterprise system. Competition rewards the efficient and innovative business and penalizes the inefficient.

Consumers benefit in a freely competitive market by having the opportunity to choose from a wide range of products. Through their decisions in the marketplace, consumers indicate their preferences to businessmen, who translate those preferences into the best products at the lowest prices.

The Federal Government must play two important roles in protecting and advancing the cause of free competition.

First, the policy of my administration has been to vigorously enforce our antitrust laws through the Antitrust Division of the Department of Justice and the Federal Trade Commission. During an inflationary period, this has been

particularly important in deterring price-fixing agreements that would result in higher costs to consumers.

Second, my administration has been the first one in 40 years to recognize an additional way the Federal Government vitally affects the environment for business competition. Not only must the Federal Government seek to restrain private anticompetitive conduct but our Government must also see to it that its own actions do not impede free and open competition. All too often in the past, the Government has itself been a major source of unnecessary restraints on competition.

I believe that far too many important managerial decisions are made today not by the marketplace responding to the forces of supply and demand, but by the bureaucrat. Government regulation is not an effective substitute for vigorous competition in the American marketplace.

In some instances, government regulation may well protect and advance the public interest. But many existing regulatory controls were imposed during uniquely transitory economic conditions. We must repeal or modify those controls that suppress rather than support fair and healthy competition.

During my administration, important progress has been made both in strengthening antitrust enforcement and in reforming Government economic regulation.

In the last 2 years, we have strengthened the Federal antitrust enforcement agencies. The resources for the Antitrust Division and the Federal Trade Commission's Bureau of Competition have been increased by over 50 percent since fiscal year 1975. For the Antitrust Division, this has been the first real manpower increase since 1950. I am committed to providing these agencies with the necessary resources to do their important job.

This intensified effort is producing results. The Antitrust Division's crack-down on price-fixing resulted in indictment of 183 individuals during this period, a figure equaled only once in the 86 years since enactment of the Sherman Act. The fact that the Division presently has pending more grand jury investigations than at any other time in history shows these efforts are being maintained.

To preserve competition the Antitrust Division is devoting substantial resources to investigating anticompetitive mergers and acquisitions. At the same time, the Division is litigating large and complex cases in two of our most important industries—data processing and telecommunications.

The cause of vigorous antitrust enforcement was aided substantially when I signed the Antitrust Procedures and Penalties Act of 1974, making violation of

of the Sherman Act a felony punishable by imprisonment of up to 3 years for individuals, and by a corporate fine of up to \$1 million.

Also, in December 1975, I signed legislation repealing fair trade enabling legislation. This action alone, according to various estimates, will save consumers \$2 billion annually.

On the second front of reducing regulatory actions that inhibit competition, I have signed the Securities Act Amendments of 1975 and the Railroad Revitalization and Regulatory Reform Act, which will inject strong doses of competition into industries that long rested comfortably in the shade of Federal economic regulation.

My administration has also sponsored important legislative initiatives to reduce the regulation of other modes of transportation and of financial institutions. An important element of my regulatory reform proposals has been to narrow antitrust immunities which are not truly justified. Although Congress has not yet acted on these proposals, I am hopeful that it will act soon. All industries and groups should be subject to the interplay of competitive forces to the maximum extent feasible.

A measure of my commitment to competition is the Agenda for Government Reform Act which I proposed in May of this year. This proposal would require a comprehensive, disciplined look at ways of restoring competition in the economy. It would involve indepth consideration of the full range of Federal regulatory activities in a reasonable—but rapid—manner that would allow for an orderly transition to a more competitive environment.

This competition policy of regulatory reform and vigorous antitrust enforcement will protect both businessmen and consumers and result in an American economy which is stronger, more efficient, and more innovative.

Hart-Scott-Rodino Antitrust Improvements Act of 1976

I believe the record of this administration stands as a measure of its commitment to competition. While I continue to have serious reservations about the “*parens patriae*” title of this bill, on balance, the action I am taking today should further strengthen competition and antitrust enforcement.

This bill contains three titles. The first title will significantly expand the civil investigatory powers of the Antitrust Division. This will enable the Department of Justice not only to bring additional antitrust cases that would otherwise have escaped prosecution but it will also better assure that unmeritorious suits will not be filed. These amendments to the Antitrust Civil Process Act were proposed by my administration 2 years ago, and I am pleased to see that the Congress has finally passed them.

The second title of this bill will require parties to large mergers to give the Antitrust Division and the Federal Trade Commission advance notice of the proposed mergers. This will allow these agencies to conduct careful investigations prior to consummation of mergers and, if necessary, bring suit before often irreversible steps have been taken toward consolidation of operations. Again, this proposal was supported by my administration, and I am pleased to see it enacted into law.

I believe these two titles will contribute substantially to the competitive health of our free enterprise system.

This legislation also includes a third title which would permit State attorneys general to bring antitrust suits on behalf of the citizens of their States to recover treble damages. I have previously expressed serious reservations regarding this "parens patriae" approach to antitrust enforcement.

As I have said before, the States have authority to amend their own antitrust laws to authorize such suits in State courts. If a State legislature, representing the citizens of the State, believes that such a concept is sound policy, it ought to allow it. I questioned whether the Congress should bypass the State legislatures in this instance. To meet in part my objection, Congress wisely incorporated a proviso which permits a State to prevent the applicability of this title.

In price-fixing cases, this title provides that damages can be proved in the aggregate by using statistical sampling or other measures without the necessity of proving the individual claim of, or the amount of damage to, each person on whose behalf the case was brought. During the hearings on this bill, a variety of questions were raised as to the soundness of this novel and untested concept. Many of the concerns continue to trouble me.

I have also questioned the provision that would allow States to retain private attorneys on a contingent-fee basis. While Congress adopted some limitations which restrict the scope of this provision, the potential for abuse and harassment inherent in this provision still exists.

In partial response to my concerns, Congress has narrowed this title in order to limit the possibility of significant abuses. In its present form, this title if responsibly enforced, can contribute to deterring price-fixing violations, thereby protecting consumers. I will carefully review the implementation of the powers provided by this title to assure that they are not abused.

Individual initiative and market competition must remain the keystones to our American economy. I am today signing this antitrust legislation with the expectation that it will contribute to our competitive economy.

NOTE: As enacted, H.R. 8532, approved September 30, 1976, is Public Law 94-435 (90 Stat. 1383).

837

Letter to the Speaker of the House and the President of the Senate on Basic Allowances for Quarters for Members of the Uniformed Services. October 1, 1976

[Dated September 30, 1976. Released October 1, 1976]

IN ACCORD with 37 U.S.C. 1009(c), I am hereby advising the Congress that I plan to exercise the discretionary authority provided by 37 U.S.C. 1009(c), as added by section 303 of the Department of Defense Appropriation Authorization Act, 1977 (Public Law 94-361), with respect to adjustments in the levels of compensation for the members of the uniformed services.

The amendments to 37 U.S.C. 1009 made by that act provide discretionary authority to apply the adjustments (based on the overall average percentage increase in General Schedule rates of basic pay, in accord with 37 U.S.C. 1009 (a)) to the basic pay, quarters allowances and subsistence allowances of the uniformed services on a percentage basis other than an equal percentage basis. Those amendments also provide discretionary authority to pay a partial quarters allowance to bachelors in government quarters, on field duty and on sea duty.

The current levels of the military allowances for quarters and for subsistence bear little relationship to the costs of the services they are intended to procure. Further, the present system in which entitlement to these allowances is completely eliminated when these services are provided in kind fails to recognize the value of military housing, of food provided in military messes, or of shelter provided to those at sea and in the field. The Congress has, for the present, reserved its acceptance of my budget proposal to initiate a "fair market" rental concept for military housing. This concept was the basis for my request for discretionary authority to allocate a portion of military basic pay increases to the allowances, and to pay to bachelors in government quarters, or on sea duty or field duty, a portion of the quarters allowance.

Considering these aspects of the deficiencies in the current level of these allowances, and consistent with the FY 1977 budget, it is my considered judgment that a reallocation of the October 1, 1976 military basic pay increase is appropriate. Accordingly, I plan to reallocate 25 percent of that increase, by grade, all to the basic allowance for quarters, and to pay a partial payment of the quarters allowance, equal to this reallocation, to bachelors in government quarters, and to those on sea duty or on field duty. This action takes a positive

step toward improving the current relationship of the quarters allowance to the costs of off-post housing and government quarters on post.

Specifically, the amount allocated to the element of monthly basic pay for each grade shall be 75 percent of the amount that would have been allocated to that element under 37 U.S.C. 1009(b)(3); the elements of monthly basic allowance for subsistence and monthly basic allowance for quarters for each grade shall be increased by an amount which is of the same percentage as the overall average percentage increase in the General Schedule rates, except that the element of monthly basic allowance for quarters shall be increased by an additional amount by grade equal to 25 percent of the amount that would have been allocated to the element of monthly basic pay under 37 U.S.C. 1009(b)(3). Members without dependents, who, under 37 U.S.C. 403 (b) or (c), are not entitled to receive a basic allowance for quarters, shall be paid a partial monthly basic allowance for quarters in an amount equal to the additional amount allocated by grade to the element of monthly basic allowance for quarters under 37 U.S.C. 1009(c).

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

838

Message to the Congress Transmitting Annual Report of the Council on Environmental Quality. *October 1, 1976*

To the Congress of the United States:

I am pleased to transmit to the Congress the Seventh Annual Report of the Council on Environmental Quality.

Two hundred years ago, the United States of America was comprised of only 2.5 million people. Our country seemed an infinite expanse of natural resources.

Today, the United States of America encompasses over 3½ million square miles, and numbers 215 million people. Although we remain one of the most fortunate nations on earth, our natural endowment is deteriorating.

The growth of our population and the expansion of American technology demonstrates that there are limitations to our natural riches. The industrial concept of man as master of an inexhaustible world for his convenience is giving way to an ecological concept of man as caretaker of limited resources that must be protected.

Since the adoption of the National Environmental Policy Act, Americans have made measurable progress in safeguarding, nurturing, and redeeming our natural heritage. Many other countries have joined in recognizing that misuse and irresponsible exploitation of the globe threaten the well-being of humanity. Yet, progress has been neither even nor universal.

A higher consciousness—even spiritual awareness—must evolve if humanity is to live in harmony with nature. We are grateful that the process of awakening has started.

In this first year of our third century, I am optimistic that growing American recognition of the respect and reverence that we must accord to earth, water and air will light the way to a new era. We must and will pass on to future Americans the magnificent legacy of nature as well as our cherished heritage of political freedom.

GERALD R. FORD

The White House,
October 1, 1976.

NOTE: The message is printed in the report entitled "Environmental Quality, the Seventh Annual Report of the Council on Environmental Quality—September 1976" (Government Printing Office, 378 pp.).

839

Message to the Congress Transmitting Annual Report of the National Science Board. *October 1, 1976*

To the Congress of the United States:

I am pleased to submit to the Congress the eighth annual report of the National Science Board, *Science at the Bicentennial—A Report from the Research Community*.

This report reviews the history of research in the United States and summarizes the results of a survey conducted by the Board in 1975 which sought the opinions of research managers on the problems facing basic research in universities, industry, Federal laboratories and nonprofit institutes.

The report reflects the pride of the research community in the tremendous accomplishments resulting from the scientific research effort in the United States, particularly since World War II. The report shows concern about a number of problems facing research institutions in 1975. It also shows the expectations for many more contributions in the future from science—contributions which will be important to the strength and well-being of our Nation.

The thoughtful statements expressed in this report will receive the attention of my new Office of Science and Technology Policy and the new President's Committee on Science and Technology, which will soon begin its two-year examination of the overall context of the Federal science, engineering and technology effort.

The strength and prosperity of the United States which is so respected throughout the world is due in large measure to the contributions of scientific research. I believe this force must be maintained and I have sought significant increases in Federal funding for basic research in my 1977 Budget, in fact, an increase of 11 percent over 1976 estimates. This increased funding would reverse the decline in the levels of Federal support for basic research that began in 1967.

The views set forth in this report will enhance our ability to make informed decisions about the Nation's support of science. I commend it to the attention of the Congress.

GERALD R. FORD

The White House,
October 1, 1976.

NOTE: The report is entitled "Science at the Bicentennial—A Report from the Research Community" (Government Printing Office, 154 pp.).

840

Statement on Signing the Indian Health Care Improvement Act. *October 1, 1976*

I AM signing S. 522, the Indian Health Care Improvement Act.

This bill is not without its faults, but after personal review I have decided that the well-documented needs for improvement in Indian health manpower, services, and facilities outweigh the defects in the bill.

While spending for Indian Health Service activities has grown from \$128 million in FY 1970 to \$425 million in FY 1977, Indian people still lag behind the American people as a whole in achieving and maintaining good health. I am signing this bill because of my own conviction that our first Americans should not be last in opportunity.

Some of the authorizations in this bill are duplicative of existing authorities, and there is an unfortunate proliferation of narrow categorical programs. Nevertheless, S. 522 is a statement of direction of effort which is commendable.

Title VII of this bill provides for future reports to the Congress from the Sec-

retary of Health, Education, and Welfare, including a review of progress under the terms of the new act. I believe the administration can in this way bring to the attention of the Congress any changes needed to improve the provisions of S. 522.

On balance, this bill is a positive step, and I am pleased to sign it.

NOTE: As enacted, S. 522, approved September 30, 1976, is Public Law 94-437 (90 Stat. 1400).

841

Statement on Signing a Legislative Branch Appropriation Bill. *October 1, 1976*

I AM signing H.R. 14238, Appropriations for the Legislative Branch for Fiscal Year 1977, with reluctance.

Last year, the Congress enacted Public Law 94-82 which, after more than 6 years, allowed annual pay adjustments for *all* Federal employees. Before that time, pay raises for officials at the top levels of the Federal Government had been frozen. As annual comparability increases came due each October, more and more Federal employees bumped up against the fixed ceiling, preventing them from receiving the annual comparability increase. Soon, many employees in the upper Civil Service grades were receiving exactly the same salary as policy-making officials.

Under these conditions, it became increasingly difficult to recruit top-flight people into the Federal Government, and it became even more difficult to retain those who were already there. With salaries significantly higher in the private sector, many dedicated individuals are deterred from entering or remaining in the public service. Chief Justice Burger has spoken often—forthrightly and eloquently—on the identical problems which plague the Federal judiciary.

While last year's law did not solve these problems by any means, it did give some small relief to Federal officials who had not had a pay raise since 1968, despite large increases in the cost of living. In the bill I am signing today, Congress has not only withdrawn the small step they took last year to help alleviate the problems of Federal pay but they have created additional chaos.

If the Congress had frozen *only* the pay of its Members in this bill, I would sign without hesitation. Instead, in this election year, the Congress chose not only to stop its own pay raises but those of the judiciary and top-level executive branch employees as well.

Further, the Congress has created havoc in the pay levels throughout the

Federal Government. The Congress wrote language in this bill which enables employees in Civil Service grades 16, 17, and 18, and some at grade 15, to be paid higher salaries than the Commissioner of Education, the Commissioner of Food and Drugs, the Commissioner of Indian Affairs, the Administrator of the Farmers Home Administration, the Director of the National Park Service, and the Archivist of the United States. Many other officials will receive lower salaries than their subordinates.

The Congress has made a bad situation worse.

I seriously considered returning this bill to the Congress without my approval. However, I am signing this bill because the Congress will have an opportunity to remedy the situation early next year, when I present my recommendations after reviewing the proposals of the Quadrennial Commission on Executive, Legislative, and Judiciary Salaries.

I am also signing this bill because the Congress did take action on an administration initiative of some importance—the elimination of the so-called 1-percent kicker from increases provided Federal annuitants. The 1-percent kicker was originally intended to compensate for the delay in providing cost-of-living adjustments. However, as a result of compounding, there has been overcompensation. Since the 1-percent add-on was adopted, the cost of living has increased 58 percent, while the 1-percent kicker adjustments have totaled 71 percent. Although the new cost-of-living adjustment system which this legislation establishes does not conform entirely to my recommendations, it nevertheless should maintain an appropriate balance between protecting Federal annuitants from inflation, while preserving the fiscal soundness of Federal retirement programs.

NOTE: As enacted, H.R. 14238, approved October 1, 1976, is Public Law 94-440 (90 Stat. 1439).

842

**Message to the Congress Transmitting Annual Report on
United States Participation in the United Nations.
*October 2, 1976***

[Dated October 1, 1976. Released October 2, 1976]

To the Congress of the United States:

I am pleased to send to the Congress the 30th annual report on United States participation in the United Nations and its many subsidiary bodies.

This report shows how the United States worked to advance its interests

through the main activities of the United Nations system during Calendar Year 1975. It describes the outcome of important meetings such as the seventh special session of the General Assembly on world economic cooperation and the landmark International Women's Year conference; it covers the work of the Security Council in the Middle East and other areas; and it reports on such contentious political issues as the resolution of the 30th General Assembly equating Zionism with Racism with which we vigorously disagreed. These events, and many other UN activities, reflect an active year for the United States in the United Nations during which we persisted in our long-term effort to promote peace, economic progress and social justice within a worldwide framework.

In the area of security and crisis management, the United Nations was effective in carrying out its primary purpose: contributing to the maintenance of international peace. United Nations peacekeeping forces in both the Sinai and the Golan Heights areas of the Middle East continued to separate previous combatants while the search for a more durable peace continued. Similarly, in Cyprus, United Nations peacekeeping forces helped to patrol the lines where confrontation existed and contributed to humanitarian needs. The Security Council, in addition to making the arrangements for the continuation of the mandates for these forces, also helped reduce tensions over the Western Sahara and East Timor.

A major area of activity of direct importance for American interests was the seventh special session of the General Assembly on development and international economic cooperation. Convened September 1 just prior to the 30th regular session, this meeting established a new agenda for international cooperation on the planning of our emerging global economic system. Prior to this meeting there had been division, confrontation and acrimony within the United Nations and elsewhere, over how to improve the world economic system and how to accelerate the process of development. Determined to make the most of this opportunity and to search for common ground, the United States outlined a broad program of practical initiatives which would be of benefit to both developing and developed countries. The participants in this historic meeting responded positively to the U.S. approach, adopting a consensus resolution which embraced most of our proposals. This session demonstrated that the UN can help to advance America's fundamental interests when we exercise leadership in the organization.

An international conference of great importance to the United States was the World Conference of the International Women's Year in Mexico City. This

meeting, which grew out of a 1974 U.S. initiative, marked the first time that the problems of women had been the subject of such a major international conference. With some exceptions the conference recorded a number of major achievements. The United States made significant contributions to the World Plan of Action which was adopted at the conference, thus setting in motion a program that will gradually help the world to realize the full rights and potential of half of its people.

At my direction in November 1975, Secretary of State Kissinger sent a letter to the Director General of the International Labor Organization announcing our intention to withdraw from the organization in 1977 unless reforms are made before then. We cited four special areas of concern: erosion of tripartite representation; selective concern for human rights; disregard of due process; and increasing politicization of a technical agency. We took this step only after the most careful deliberation and, as we have stated, we will make every effort to promote conditions that could permit us to continue to participate in the organization.

The 30th session of the General Assembly was marked both by cooperation and contention. Many economic and social issues were debated, resulting in resolutions adopted by consensus. But political differences arose among the members over such issues as Korea, the Middle East, human rights and decolonization. Among other actions, a resolution equating Zionism with Racism was adopted over strong United States opposition. We view this resolution as a fundamental distortion of the truth and, as a result of its adoption, announced that we would not participate in the activities of the Decade for Action to Combat Racism and Racial Discrimination.

These are but a few of the important events in the United Nations during the past year. Much of the work of the United Nations is unknown because it is not regularly reported through the news media. The economic, social and technical coordination work of the United Nations, which account for more than 90 percent of its total resources, include such important activities as:

- Maintaining international aviation safety standards;
- Helping to prevent the spread of nuclear weapons;
- Working to combat illicit drug production and trafficking;
- Improving health conditions and standards worldwide and combating disease and plague;
- Setting improved international standards for the environment;
- Improving international food standards and preventing plant and animal disease from crossing borders;

—Providing economic development and technical assistance to the poorer nations of the world; and

—Providing food assistance and disaster relief.

As the world's strongest economic power with the greatest global reach, the United States derives many tangible benefits from these United Nations activities, many of which resulted from American initiative and leadership.

Despite difficulties inherent in working within an organization of so many sovereign states having differing interests and backgrounds, I believe that we are making progress in achieving our purposes in the United Nations. The United States is working actively to defend its interests, to oppose irresponsible actions and to promote cooperation among UN members in fulfillment of the great purposes of the Charter which we helped to frame.

As the world grows increasingly complex and interdependent, I conclude that United States leadership and participation in the United Nations serves our interests and hopes for realizing mankind's aspirations for a world of peace, economic progress and social justice.

GERALD R. FORD

The White House,
October 1, 1976.

NOTE: The 396-page report is entitled "U.S. Participation in the UN, Report by the President to the Congress for the year 1975."

843

Special Message to the Congress Reporting on Budget Deferrals. *October 2, 1976*

[Dated October 1, 1976. Released October 2, 1976]

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report 33 deferrals of funds totalling \$761.7 million. The deferrals are primarily routine in nature and do not, for the most part, affect program levels. The details of each deferral are contained in the attached reports.

GERALD R. FORD

The White House,
October 1, 1976.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of October 7, 1976 (41 FR 44298).

844

Special Message to the Congress on Federal Pay Increases. *October 2, 1976*

[Dated October 1, 1976. Released October 2, 1976]

To the Congress of the United States:

In accordance with the provisions of Section 5305 of Title 5 of the United States Code, I hereby report on the comparability adjustment I am ordering for the Federal statutory pay systems in October 1976.

The Director of the Office of Management and Budget and the Chairman of the United States Civil Service Commission, who serve jointly as my agent for Federal pay, have proposed a 4.83 percent average increase in pay rates for the Federal statutory pay systems. The Advisory Committee on Federal Pay and the Federal Employees Pay Council have proposed adjustments of 5.82 percent and 8.2 percent, respectively.

I have decided that I should choose the 4.83 percent increase. My selection of this proposal will implement immediately several reforms which are clearly necessary for the continued integrity of the pay adjustment process.

I am transmitting herewith the reports of my agent and the Advisory Committee, as well as a copy of the Executive order [11941] I have promulgated to put this pay adjustment into effect.

GERALD R. FORD

The White House,
October 1, 1976.

845

Statement on Signing the Public Works Employment Appropriations Act of 1976. *October 2, 1976*

I HAVE signed H.R. 15194, the Public Works Employment Appropriations Act of 1976.

In July I vetoed the authorizing legislation which made this \$3.95 [\$3.73] billion appropriation necessary. I said then, and I still believe, that these funds will not create lasting jobs but will create new inflationary pressures.

I said then, and I still believe, that the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of

the private sector without risking a new round of inflation. Congress rejected my veto.

This Congress has not recognized the fallacy of having the American taxpayer finance pork-barrel projects and make-work jobs. Congress refuses to recognize the inflationary risk in this public works appropriation. However, another confrontation with Congress on this bill is pointless.

We must, nevertheless, continue to challenge the Congress on the underlying principle of this pork-barrel, make-work legislation.

I am therefore signing H.R. 15194 and directing the appropriate departments of this administration to make, over the next year, a careful month-by-month audit of expenditures under this appropriation to determine just how many jobs are created, how much it costs the taxpayer to create each job, and just what impact there is on inflation.

In accepting this appropriation, I call upon the Congress to request the General Accounting Office to conduct a parallel audit of the results of this legislation. This is an expensive test, but Congress will not see the fallacy of its approach until we can show through an audit what we know to be the facts.

NOTE: As enacted, H.R. 15194, approved October 1, 1976, is Public Law 94-447 (90 Stat. 1497).

846

Remarks at a Meeting With the President Ford Committee on Ethnic Affairs. *October 2, 1976*

GOOD MORNING. It is wonderful to see you all, and I am very pleased to welcome you to the State Dining Room.

And I know that the President Ford Campaign Committee on Ethnic Affairs is going to play a very vital role in this election. I am especially pleased to announce that my good friend, Pete Domenici, has agreed to serve as the chairman of this group.

I think Pete's story is a very inspiring one. He is the son of Italian immigrants, and I think Pete embodies all of the values that are the very backbone of this country. Pete is a great campaigner. He tells me he was out in New Mexico last night and flew back on the "red-eye special." And so anybody with that dedication and that willingness to work is the right kind of a chairman for this very, very important campaign committee. So, we thank you very, very much, Pete.

But I am delighted to see not only all of you who are leaders in your respective communities but the Members of Congress who are likewise vitally im-

portant, representing their congressional districts but also their ethnic groups. All of you as leaders in your communities are vitally important for success in this campaign.

I have said on many occasions, at the convention in my acceptance speech and down in Louisiana, Mississippi, Alabama, and Florida, that I don't concede a single State and I don't concede a single vote. The election is going to be close. We started from behind, but we have the momentum. And I believe very strongly that this election can and will be won by the Ford-Dole ticket.

It just so happens that the record and the program of the Ford administration coincides with the aspirations of the groups that you represent. It's my observation that those who have an ethnic background want a job, a meaningful job opportunity. They are willing to work and will go out and try to find a job. This administration believes that everybody who wants a job should have a job, and this administration is going to achieve that result. We don't think the situation is adequate today, but our program of trying to expand the domestic economy, the private sector, where five out of six jobs exist, is the way to get a job for the young American, for those who want a job and who are willing to work.

American ethnics want a home in a decent neighborhood. This administration believes that everybody who will work and save can get a home in a decent neighborhood under the program that we believe in. We have to reduce downpayments. We have to have variable mortgage payments so that young couples, when they start out, won't have to pay as much when their income is down, but as their income situation improves, they will be able to pay more.

This administration has established under the Secretary of HUD, Carla Hills, a Committee—a joint Cabinet committee—on Urban Development and Neighborhood Revitalization, and this committee will do a good job in making certain that your ethnic communities are preserved in our major metropolitan areas.

With a job and a home, you can raise a family, you can support your schools, and you can support your social clubs. You can preserve your cultural and spiritual heritages, and those are vitally important.

This administration believes that we also have to take a forward step in the area of education. We have supported the elementary and secondary education programs—that where the Federal Government makes contributions to State and local educational bodies. We don't think the system works as well with some 24 categorical grant programs. We believe that the same amount or more money ought to go to elementary and secondary schools in a block grant program so

that teachers and administrators don't have to spend all of their time making out Federal forms; so they can spend their time teaching the children of all Americans, and thereby get a better education for the young in this country.

And although I am a product of public schools, I strongly believe that our nonpublic schools are vitally important in our society. Public schools are better when they have competition from nonpublic schools. Therefore, it's always been my view that we should find a way under our Federal tax policy to give an opportunity for those who want to send their children to nonpublic schools should get some tax relief.

One final comment: On July 4 this country celebrated its 200th birthday. It was a glorious day. I think more Americans were thrilled by what took place that day than almost any day in recent history.

On that occasion we honored the achievements of the past, but in the third century I think we have to write a new and better history for America. We have to have jobs for our people. We have to have homes for our old as well as young. We have to have safety on our streets. We have to have the opportunity for better health care. We have to have a strong nation with peace at home and with peace abroad.

This nation, over the years, has done a good job in keeping itself strong and healthy both here and abroad. But sometimes it's helpful for us to learn about the sadness and tragedy of other nations.

Just this past week, if you have been reading the papers, our strong and good ally, Great Britain, has been faced with a very serious crisis. You may have read that the Prime Minister of Great Britain appeared before his own Labor Party Convention, calling for them to support him in a strong fiscal and monetary policy so that Great Britain could meet the crisis that has confronted them in the last year or two, a crisis which has reached a peak within the last few weeks.

I read of the speech that Prime Minister Callaghan gave to his Labor Convention, and one sentence in that speech impressed me tremendously. And it is a sentence that I think we should take a good look at and perhaps learn something from. And let me read it to you.

"Britain for too long has lived on borrowed time, borrowed money, and borrowed ideas. We will fail if we think we can buy our way out of our present difficulties by printing confetti money and by paying ourselves more than we earn."

That is a very, very powerful sentence given by a courageous Prime Minister,

telling not only the people in his party but the people of Great Britain that they have to take strong action in a time of crisis.

Let me say that as long as Jerry Ford is President, Jerry Ford will never let the United States of America reach this kind of a crisis.

Now it is my great privilege to introduce your chairman, an outstanding Member of the United States Senate, a real leader, Senator Pete Domenici.

SENATOR DOMENICI. Thank you very much, Mr. President.

You know, you indicated to our advisory group that is here that I am the son of immigrant parents, and indeed I am. Both my mother and father were born in the country of Italy.

Mr. President, how proud my mother is that I am here today and that you have asked me to do this. And I am sure my beloved father would probably have flown back on the "red-eye" with me if he were alive, Mr. President, so he could be here today on this occasion.

Let me tell you a little bit about your advisory group. We have 26 nationalities represented here, Mr. President, from 13 States. We have been working to put this team together. We have a wonderful team of staff workers, and we are going to commit to you, Mr. President, that the Democratic Party and the Democratic candidates are going to find out this year that they cannot take the ethnic vote for granted anywhere in the United States.

Mr. President, we all support you for the same reason, because basically we love our families, we love our country, we love our little homes that we have bought. Our sons and daughters have had a great opportunity in this land, and we admire and respect two things: integrity—and you abound in that—and, secondly, you have a great respect for all people. You treat all people the same, and that means you are going to treat our ethnics just as other Americans have been treated.

That means, Mr. President, when you are elected and begin to serve your first year of your elected term, that we are going to look to you, Mr. President, to give back to us what we are giving to you. We are going to give you a full American treatment from ethnics, and we only want a full American treatment back to our ethnics from you and from government.

There is one thing, Mr. President, that those who came to our country from foreign lands—probably, above all else—one thing that they retain and that they will never let go away, and that is their religion; their love for their church and their desire that their children and their family participate in all the things that churches that they belong to can provide.

And with that, Mr. President, I want to tell you that something disturbs me

about Governor Carter's recent statement, and I will quote. He said recently, Mr. President—and I also tell my advisory group this, we will talk about it today as we meet—but he said in the Religious Liberty Association of America and Seventh Day Adventist Church publication, and I will quote for you, Mr. President, that he would “favor the taxation of church property other than the church building itself.”

Now, Mr. President, this disturbs me, and I am sure when we finish meeting today, that we will have a statement from your ethnic advisory committee on this proposition.

I don't favor that if that means that hospitals, orphanages, institutions that our churches own that are not directly related to a building called a church are going to be taxed so we can raise more revenue for the American tax coffers.

There are a lot of other ways to do it, and we don't want to do it that way, Mr. President. We know that profitmaking endeavors of our churches are presently taxed, and I think you support that, and I think we support that. But, Mr. President, we think it would do great violence to the ability of our churches to supply the great kinds of social needs that they are now giving to us, to our children if this proposition by Governor Carter became the law of this land, that only the church building itself would be exempt from taxes.

I know that you have some feelings on this. If you would, Mr. President, I would like you to give us your observations on this. And, once again, I thank you for the privilege you have given me of being your chairman. And we make a commitment to you today that we are going to prove that the ethnics in this country just don't follow any party, they vote for a man, and they are going to elect you to the Presidency.

THE PRESIDENT. Senator, I was of course very, very disturbed when I heard about the proposal of Governor Carter. I think my opponent's proposal to tax church properties other than the church buildings is a very, very unfortunate and disturbing development. Nothing could be worse for church-operated schools, hospitals, and orphanages, many of which face constant financial struggles to make ends meet.

I think the more we learn of my opponent's plans for future taxes, the more troublesome they become. And I can tell you unequivocally, emphatically, that this administration has neither plans nor supports any efforts to tax churches beyond the present scope of Federal taxation.

It seems to me instead of a tax proposal to increase taxes in this way, we should make additional efforts in the area of tax reform. And when I talk about tax reform, I talk about tax reduction for the middle-income taxpayer.

So, Pete, thank you. I thank all of you.

Why don't we take a few minutes and say hello and let me chat with each of you individually.

Thank you very much.

NOTE: The President spoke at 11:40 a.m. in the State Dining Room at the White House.

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Remarks Upon Signing the Tax Reform Act of 1976. **October 4, 1976**

TODAY I am signing the Tax Reform Act of 1976. It includes many provisions which I supported for a long, long time. It includes a few which I oppose. On balance, however, the legislation is sound, positive, and long overdue.

This bill raises the minimum tax paid by high-income persons and eliminates or restricts many tax shelters. These actions are consistent with my firm support of measures designed to close the loopholes and ensure that each taxpayer bears his or her fair share of the overall tax burden.

I am also gratified that the Congress has adopted my program of estate tax relief. This includes my proposals to increase the basic estate tax exemption from \$60,000 to the equivalent of \$175,000 and to liberalize the marital deduction for the transfer of property between spouses. It also provides special relief to the owners of family farms and family businesses so that their heirs are not forced to liquidate these enterprises in order to pay estate taxes.

Despite the many pluses of this bill, it fails to make several important and necessary changes in our tax structure. First, the best kind of tax reform is tax reduction. Low- and middle-income Americans currently pay excessive Federal taxes. This act does temporarily extend the tax reductions I initiated last year, but it fails to include my proposals for permanent, deeper tax cuts.

In particular, I am disappointed that the Congress did not reduce individual income taxes by the additional \$10 billion that I recommended. Equivalent reductions in spending, which Congress was unwilling to make, would have enabled them to pass those permanent cuts. Accordingly, I will again urge Congress next year to increase the personal exemption from \$750 to \$1,000.

Second, increased investment through appropriate tax incentives is absolutely essential to create productive jobs in the private sector. Such tax incentives can help focus investment in those areas where new jobs are needed most.

I will again propose that Congress grant special tax benefits in the form of

accelerated depreciation for new plants and equipment in areas of high unemployment. I will also strongly recommend enactment of several other tax measures to aid in capital formation and job creation.

The bill that reached my desk is far from perfect, but it does go a long way toward restoring commonsense and equity in our Federal tax system. I will continue to work for a better break for low- and middle-income taxpayers.

I trust you have noted the size of this tax bill.¹

Thank you very much.

NOTE: The President spoke at 12:18 p.m. at a ceremony in the Oval Office at the White House.

As enacted, the bill (H.R. 10612) is Public Law 94-455 (90 Stat. 1521).

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Statement on Signing the Tax Reform Act of 1976.

October 4, 1976

TODAY I have signed into law the Tax Reform Act of 1976. This action reflects my judgment that, on balance, the beneficial effects of good provisions in this massive piece of legislation substantially outweigh the detrimental effects of the provisions which I find objectionable.

I am pleased that in this bill the Congress has raised the minimum tax and has taken meaningful action to eliminate the use of so-called tax shelters by individuals with high incomes. These actions are consistent with my past proposals and firm support of strong measures designed to close these loopholes. In doing so, we are moving toward a tax system under which each taxpayer bears his or her fair share of the overall tax burden.

I am also gratified that the Congress had adopted the program of estate tax relief which I proposed at the beginning of this year. The act essentially includes my proposals to increase the basic estate tax exemption from \$60,000 to the equivalent of \$175,000, to liberalize the marital deduction for the transfer of property between spouses, and to provide special relief to the owners of family farms and business so that their heirs are not forced to liquidate these enterprises in order to pay estate taxes. The estate tax provisions have both simplified and made much more equitable our system of estate taxation.

Despite the contribution many provisions of this tax bill make to improving our tax system, the bill fails to include several important and necessary changes

¹ The President was referring to the fact that the act was 414 pages.

in our tax structure. We must continue to reform our tax system in three important ways.

First, the best tax reform is tax reduction. Americans currently pay excessive taxes, particularly middle- and low-income Americans. This act does temporarily continue the tax reductions enacted last year, but it fails to include my proposals for permanent, deepened tax cuts. In particular, I am disappointed that the Congress did not reduce individual income taxes by the additional \$10 billion I recommended. If Congress had adopted this measure together with an equal reduction in Federal spending, the American people, rather than the Congress, could decide how that extra \$10 billion should be spent. Accordingly, I will again urge Congress next year to further reduce the tax burden on Americans by increasing permanently the personal income tax exemption from \$750 to \$1,000.

Second, increased investment through appropriate tax incentives is absolutely essential if we are to succeed in creating productive jobs for our growing labor force. Such tax incentives can help focus investment in those areas where new jobs are needed most. I will again propose that Congress grant special tax benefits in the form of accelerated depreciation for new plants and equipment in areas of high unemployment. I will also strongly recommend enactment of several other tax measures to aid in capital formation including: enacting a broadened stock ownership plan to increase participation of low- and middle-income Americans in the ownership of our free enterprise system; and adopting the proposal I made over a year ago to integrate the corporate and personal income taxes, thereby eliminating the present burden of double taxation of dividends which presently inhibits savings and investment and places our Nation at a disadvantage in competing for world markets with other industrialized countries.

Third, we must move toward a simplified and more equitable tax code. Last January, I requested the Secretary of the Treasury to study the potential for restructuring and simplifying the present tax code. The Treasury study is well underway. It involves an examination of our present tax code aimed at making it more simple, more fair, and more economically efficient. The Treasury is scheduled to report to me on the project in December. I will carefully review this study as an important part of my administration's effort to make our tax system fair and equitable for all Americans.

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**Remarks Upon Accepting the Resignation of Earl L. Butz
as Secretary of Agriculture. October 4, 1976**

GOOD AFTERNOON. Will you please sit down.

I wish to announce my decision to accept the resignation of Earl Butz as Secretary of the Department of Agriculture. This has been one of the saddest decisions of my Presidency.

Two years ago Earl Butz told me that he wanted to leave the Cabinet. At my request he agreed to stay on until the end of this term, in spite of personal family obligations. I felt that I needed him in the Cabinet to implement my policies of full farm production coupled with fair prices for the consumer and good income for farmers through the sales of their products throughout the world.

Earl Butz has been and continues to be a close personal friend and a man who loves his country and all that it represents.

Earl Butz has devoted more than 20 years of his life in public and academic service: as an Assistant Secretary in the Eisenhower administration; as a professor and then a dean at one of the most distinguished universities in this country; and more recently, as the Secretary of a Department that has helped to restore personal freedom and abundance to American farms.

Yet Earl Butz is also wise enough and courageous enough to recognize that no single individual, no matter how distinguished his past public service, should cast a shadow over the integrity and good will of the American Government by his comments.

For that reason, I have accepted the resignation of this decent and good man.

NOTE: The President spoke at 1:35 p.m. to reporters assembled in the Briefing Room at the White House.

Prior to the President's remarks, Secretary Butz read his letter of resignation and statement. The Secretary's remarks are printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 1440).

Secretary Butz' letter of resignation read as follows:

Dear Mr. President:

I hereby submit my resignation as Secretary of Agriculture.

I sincerely apologize for any offense that may have been caused by the unfortunate choice of

language used in a recent conversation and reported publicly.

It has been a high privilege to serve as a member of the Ford Administration. American farmers will always be grateful to you for your solid support of our efforts to raise their incomes and to permit them to manage their farms without excessive governmental regulation.

I shall always be your ardent supporter.

Sincerely yours,

EARL L. BUTZ

[The President, The White House, Washington, D.C.]

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**Message to the Congress Reporting on Administration
Efforts To Settle the Cyprus Conflict. *October 5, 1976***

[Dated October 4, 1976. Released October 5, 1976]

To the Congress of the United States:

Pursuant to Public Law 94-104, I am submitting my sixth periodic report on the Cyprus negotiations and the actions which this Administration is taking to assist in the search of a lasting solution to the problems still facing the people of the Republic of Cyprus.

In my last report I reviewed recent steps taken by the Administration to bring about further progress in the Cyprus talks, and I emphasized the need for the parties to set aside procedural problems and move on to discussions of key substantive issues.

Our efforts during the past sixty days have been directed to encouraging the resumption of such negotiations. We have been in close contact with our major Western allies regarding new ideas which might contribute to progress in the Cyprus talks and have continued to work closely with United Nations Secretary General Waldheim. Secretary of State Kissinger met with Mr. Waldheim in New York in late August to discuss the Cyprus question. Following that meeting Secretary General Waldheim asked the chief Cypriot negotiators from both sides to come to New York for individual consultations with him on how the negotiations might best be resumed. These consultations developed into a series of joint meetings at which both sides discussed the issues which were blocking further progress. After these meetings, the two Cypriot negotiators agreed to continue their consultations in Nicosia, under the chairmanship of the Secretary General's Special Representative for Cyprus. It is my hope these talks will lead to resumption of meaningful discussion on the main issues.

In his meetings with the Foreign Ministers of Greece and Turkey at the United Nations last week, Secretary Kissinger urged their strong support once again for a new round of talks. We will continue to work as closely as possible with the Governments of Greece and Turkey, with the UN Secretary General, with our Western allies, and with the parties themselves, to insure that every opportunity is seized in pursuing a just and lasting settlement on Cyprus.

To focus the world's attention on the need for rapid progress, Secretary Kissinger stated anew the position of my Administration in his speech before the UN General Assembly on September 30 when he emphasized that our

overriding objectives remain the well-being of the Cypriot people and peace in the Eastern Mediterranean. Calling upon all concerned to undertake a new commitment to achieve these ends, he underlined once again the position I have repeatedly voiced:

“A settlement must come from the Cypriot communities themselves. It is they who must decide how their island’s economy and government shall be reconstructed. It is they who must decide the ultimate relationship of the two communities and the territorial extent of each area.”

This Administration believes that in order to restore momentum in the negotiations a set of principles along the following lines might help the parties to resume talks on substantive issues:

—A settlement should preserve the independence, sovereignty and territorial integrity of Cyprus;

—The present dividing lines on Cyprus must be adjusted to reduce the area currently controlled by the Turkish side;

—The territorial arrangement should take into account the economic requirements and humanitarian concerns of the two Cypriot communities, including the plight of those who remain refugees;

—A constitutional arrangement should provide conditions under which the two Cypriot communities can live in freedom and have a large vote in their own affairs; and

—Security arrangements should be agreed that permit the withdrawal of foreign military forces other than those present under international agreement.

It is my strong hope that these ideas may be given careful consideration by all concerned.

In addition to these steps, the United States also continues to provide financial assistance to the people of Cyprus so that they may overcome the burdens imposed on them by the events of 1974. I have just signed into law a bill authorizing \$17.5 million in U.S. relief assistance for Cyprus in the coming fiscal year. Our assistance thus far, some \$50 million over the past two years, has been a major factor in providing adequate homes for almost all of those unfortunate Cypriots uprooted in 1974, and, in addition, has made a substantial contribution toward the medical needs, emergency food aid and the general welfare of the many displaced from their homes. We will continue to offer our help wherever it is needed.

The United States also continues to be the largest financial contributor to the maintenance of the United Nations Peacekeeping Force on Cyprus, which has done such a highly effective job. We continue actively to support both the

work of the UN Peacekeeping Force and the UN resolutions calling for a just and lasting solution to the Cyprus problem, respect for the sovereignty and territorial integrity of that island, and withdrawal of all foreign military forces not authorized by agreements. While I strongly endorse all of these precepts, the last is of special importance since the cause of peace can only be poorly served when men confront each other with arms. I was therefore gratified to hear of the withdrawal last month of a further portion of the Turkish armed forces from Cyprus.

In summary, during the past sixty days we have increased our efforts to bring the two sides together once more for discussions in any area which might contribute to a more secure and normal life for the people of Cyprus. We have reaffirmed our determination to continue direct bilateral assistance on a large scale. We have worked with other members of the international community to bring about the best possible set of conditions for resumption of the Cyprus talks at an early date.

My Administration will further intensify its efforts to bring both sides together again with the hope, based on their meetings in New York last month, that some further significant advances may occur.

The people of the United States remain keenly interested in promoting an equitable and lasting settlement on Cyprus. My Administration has been active at every opportunity in encouraging such a settlement. We believe the people of both the Greek Cypriot and Turkish Cypriot communities share equally a desire for peaceful, productive and secure lives. We will continue to use every opportunity further to encourage the leaders of both sides toward a common solution which will achieve these goals.

GERALD R. FORD

The White House,
October 4, 1976.

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Statement on the Performance of the 94th Congress.

October 5, 1976

FEW Congresses have been presented with such a clear challenge to deal forthrightly with the Nation's problems than the Congress that has just adjourned and few Congresses have fallen so short of meeting the challenge.

Over the past 2 years I have placed before the Congress a wide variety of pro-

grams addressed to the hopes and needs of the future. Rather than make the necessary hard decisions, this Congress has more often responded with weak compromises and evasions.

I asked Congress to cut the rate of growth in Federal spending by \$28 billion and to give that \$28 billion back to the taxpayers in tax cuts. The Congress refused to go beyond the temporary tax cuts that were made in 1975. Instead, they added \$17 billion to my recommendations for spending, and every one of those dollars came out of the American taxpayer's pocket.

If all of this congressional spending had been for good purposes, we might take a more charitable view of Congress' performance. But that is not the case.

This Congress ignored major parts of my comprehensive energy policy. They took no action on my proposals to reorganize and reform health, education, child nutrition and social services programs—apparently preferring instead to continue the current jumble of programs that fail in too many cases to help those who need and deserve our help.

They took no action on my recommendation for catastrophic health insurance for older Americans and took no action on my request for legislation that would bring new jobs to areas of chronic unemployment. They were unwilling to follow my lead in restoring the financial integrity of the social security system. In the heat of an election year, they preferred to quietly duck the entire issue, rather than do what we all know is right.

I hope the adjournment of this Congress marks the end of an era—an era marked by a growing gap between Congress and the people. The people understand the need for change, but this Congress has persisted in the discredited ways of the past.

Last week, Great Britain's Prime Minister Callaghan told his people, "Britain for too long has lived on borrowed time, borrowed money, and borrowed ideas. We will fail if we think we can buy our own way out of our present difficulties by printing confetti money and by paying ourselves more than we earn."

America does not have to repeat Britain's experience to learn from it. As long as I am President, I will use every constitutional power at my command to avoid this situation in America.

I look forward to working next year with the 95th Congress. The Congress elected next month will, I am convinced, come to Washington prepared to carry out the will of the people.

NOTE: The statement was released at San Francisco, Calif.

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**Remarks and a Question-and-Answer Session With
Reporters in San Francisco on the Establishment of the Citizens for
Ford Committee. *October 6, 1976***

GOOD MORNING, everybody. It is typical San Francisco weather, which we enjoy.

I am especially pleased this morning to have the opportunity of announcing a Citizens for Ford Committee, and the three cochairpersons are all very good friends of mine. Let me announce them individually.

First, former Congresswoman Edith Green of Oregon. Edith and I served in the House of Representatives together for 19 years. She was on the other side of the aisle, but we worked together in many, many areas in order to try and enact good legislation. She was a wonderful person to have on your side, but a person that was awesome if she was on the other side. But I always felt that Edith Green was one of the most able, most articulate, most dedicated Members of the House that I knew in my 25-plus years as a Member. So I am extremely pleased to have Edith Green as one of the cochairpersons of the Citizens for Ford Committee.

The next is George Feldman of New York and Massachusetts. I first got to know George Feldman in 1958, when he was the staff director of the Select Committee on Space. I was a member of that committee. He was chosen by the then chairman of that committee, the former Speaker, John McCormack. I worked with George Feldman for the whole time in the hearings and the writing of the report and the preparation of the legislation. Subsequently, George served under President Kennedy as the Ambassador to Luxembourg and to Malta. In addition, he was a delegate to the United Nations. He was a member of the Law of the Sea Conference in 1961. Our friendship has gone on from 1958 to the present time, and I thank him for his willingness to participate in the Citizens for Ford Committee.

The third member of this group is Dom DiMaggio. Dom is well-known out here on the west coast. I have known Dom DiMaggio—because I am an avid reader of the sports page—I know from the records that he was one of the outstanding baseball players of alltime. He had a batting average of .300, over a good many years in the American League. He contributed significantly to the success of the Boston Red Sox. He is a person who has shown an active

interest in public affairs, and I am very, very pleased to have Dom DiMaggio as a member of this group of three.

So, I would like the three of them—Edith, George, and Dom—to come down here. And we have agreed that we will answer some of your questions concerning the organization or any questions that they might like to respond to.

REPORTER. Mr. President, is this a group for Democrats primarily?

THE PRESIDENT. This is a group that will permit Independents and Democrats, who wish, to support the Ford candidacy. It doesn't put an emphasis on either group. It is a citizens committee that will seek to invite and involve non-Republicans on my behalf.

Q. Mrs. Green, why did you decide to go Republican?

MRS. GREEN. I really did not decide to go Republican. In my own State of Oregon, I am supporting a good many of the Democrats. By and large I am supporting Democrats.

If the question is why did I decide to support Ford, the reasons are many. As the President said, I worked with him in the House of Representatives—I was going to say 20 years, 19 is correct—and during all of these years we knew that President Ford—Jerry Ford at that time, as the Minority Leader—was a very honest, decent, capable guy. We knew that when he got up on the floor he had done his homework, that he said what he believed in. And he, perhaps, was not the flamboyant kind of a person as Adam Clayton Powell or maybe Bella Abzug,¹ but he was a guy to be trusted. And that, very frankly, is the reason that I am supporting him.

Q. Mrs. Green, did you think you did not have an alternative in the other candidate? (*Inaudible*)

MRS. GREEN. I never, in the 20 years that I ran for office, tried to say things adversely about my opponent. And my comments are not against anybody else, but they are for the President. And I guess I just really do not know Carter. I do not know what he stands for and, believe me, I tried to find out.

I do know that the record that the President has set, not only during the time he was in Congress but since, is one where I feel I have confidence in the way the country would be run.

I might add one other thing: When I was in the House, I was one of those—some 400 I think, about—who voted for Jerry Ford for the Vice-Presidency. And I think I do not need to remind you that at that time there were 300 FBI people who were out investigating everything that he had ever done and said—almost from the day you were born, I guess—and that was a democratically controlled

¹ Former and present Representatives from New York, respectively.

Congress, and it was when Watergate was just beginning to surface, and the democratically controlled House and the Senate were certainly looking at everything that Jerry Ford had ever done.

It went to the Judiciary Committee in the House. They investigated again. He came through with flying colors, and in a democratically controlled House and Senate. As I recall, the vote was somewhere around 400 to 30, or at least there were about 30 of the Democrats who would not support him, but the big majority—10 to 1 of Democrats and Republicans—voted for him because they did trust him and knew that he had been a decent and honorable guy.

Q. How are you setting up the national committee? Are you going to have groups in every city?

MRS. GREEN. We will try to reach as many people as possible. We are going to talk about that this afternoon, and certainly we want to appeal to as many—not only the Republicans but also the Independents and the Democrats.

Q. Mr. President, how do you think you will do on the debates tonight on foreign policy and defense?

THE PRESIDENT. Helen [Helen Thomas, United Press International], I am looking forward to it. I would like to wait and see how it comes out, but I am optimistic and I am looking forward to it.

Q. Mr. President, does the formation of this group at this time, a month before the election, indicate that your campaign is in a little trouble with Democrats and Independents?

THE PRESIDENT. Not at all. I think it is a reflection that there are many, many Independents and Democrats who are uncomfortable with my opponent and who believe that the record that I had, both as a Member of Congress and as Vice President and as President, is one that they can wholeheartedly support.

We find there is a ground swell of Independents and Democrats—and this is reflected in the increase of the Ford margin in the polls—so Dom and Edith and George are going to be the heads of that group to stimulate an even greater movement toward the Ford candidacy.

REPORTER. Thank you very much.

THE PRESIDENT. It is nice to see you all. See you tonight.

NOTE: The President spoke at 9:28 a.m. outside the residence of Mr. and Mrs. John Sutro, where he stayed during his visit to San Francisco.

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Exchange With Reporters in San Francisco, California.
October 6, 1976

REPORTER. Mr. President, as Jimmy Carter was leaving the auditorium here he said that he thought that your insensitivity towards blacks for not apologizing for the Earl Butz affair made that a legitimate issue for this foreign policy debate. How do you answer that?

THE PRESIDENT. Well, it seems to me that Governor Carter ought to think back to his comment about ethnic purity, which was interpreted to be a slur against blacks, and his subsequent apology. So, I don't think his record is clear in itself. I think we took the appropriate action in the way we handled the Butz matter.

Q. No apology was appropriate, then?

THE PRESIDENT. Well, Earl Butz did apologize. Earl Butz did get a reprimand by me. That was done several days before his resignation. But I think it's appropriate to bring up the fact that a few months ago Governor Carter, with his ethnic purity comment, did slur blacks, and he apologized. Earl Butz did likewise.

Q. Mr. President, Jimmy Carter says that when you two debate tonight, you will be debating as equals. Do you agree with that?

THE PRESIDENT. I will let the American people decide that.

Q. Mr. President, some of your aides have indicated that you, as President of the United States, will have more constraints on you tonight than Jimmy Carter will. I don't understand why this is so. Can you explain? Or do you believe that?

THE PRESIDENT. I will speak very frankly. I believe that a President, under these circumstances, who has got a good record can speak forthrightly, straightforwardly, and frankly. And I intend to do that.

Q. So you see no constraints?

THE PRESIDENT. I don't see any.

Q. Do you plan to make any new announcements tonight in terms of foreign policy and defense initiatives?

THE PRESIDENT. Listen carefully.

Q. That's a hint, Mr. President, isn't it?

Q. Are you going to be more aggressive tonight than you were at the other debate?

THE PRESIDENT. Ann [Ann Compton, ABC News], we will wait and see.

Q. What is the answer to Helen's [Helen Thomas, United Press International] question?

Q. It sounds like you have got something new up your sleeve.

THE PRESIDENT. I just said that you should listen carefully.

Q. Mr. President, how do you feel about this report by the congressional investigators, the General Accounting Office, criticizing your handling of the *Mayaguez* incident?

THE PRESIDENT. It is always very easy for someone 18 months after a very critical issue has taken place to write a report. Of course, none of those "Johnny-come-lately" Monday morning critics were there when the incident happened. So, they didn't have to make the minute-by-minute decision. I can't help but feel that the issuance of that report at this time is another example of partisan politics, and I don't believe the American people will believe somebody who, with the luxury of 18 months afterwards, can sit back and write a report. I think they will believe a President who was there and had to make the tough decisions on an incident that was important to the American foreign policy.

Q. How important is tonight's debate in the overall campaign?

THE PRESIDENT. They are all very, very important. And I look at this one as important, and I look at the one on the 22d as important.

Q. This one has no special significance?

THE PRESIDENT. They are all very important.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 12:19 p.m. in the Palace of Fine Arts Theatre, following audiovisual tests for the Presidential campaign debate to be held

that evening.

As printed above, this item follows the text of the White House press release.

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Presidential Campaign Debate of *October 6, 1976*

THE MODERATOR. Good evening. I am Pauline Frederick of NPR [National Public Radio], moderator of the second of the historic debates of the 1976 campaign between Gerald R. Ford of Michigan, Republican candidate for President, and Jimmy Carter of Georgia, Democratic candidate for President.

Thank you, President Ford, and thank you, Governor Carter, for being with us tonight.

The debate takes place before an audience in the Palace of Fine Arts Theatre

in San Francisco. An estimated 100 million Americans are watching on television as well. San Francisco was the site of the signing of the United Nations Charter 31 years ago. Thus, it is an appropriate place to hold this debate, the subject of which is foreign and defense issues.

The questioners tonight are Max Frankel, associate editor of the New York Times, Henry L. Trehitt, diplomatic correspondent of the Baltimore Sun, and Richard Valeriani, diplomatic correspondent of NBC News.

The ground rules tonight are basically the same as they were for the first debate 2 weeks ago. The questions will be alternated between candidates. By the toss of a coin, Governor Carter will take the first question.

Each question sequence will be as follows: The question will be asked, and the candidate will have up to 3 minutes to answer. His opponent will have up to 2 minutes to respond. And prior to the response, the questioner may ask a followup question to clarify the candidate's answer, when necessary, with up to 2 minutes to reply. Each candidate will have 3 minutes for a closing statement at the end.

President Ford and Governor Carter do not have notes or prepared remarks with them this evening, but they may take notes during the debate and refer to them.

Mr. Frankel, you have the first question for Governor Carter.

MR. FRANKEL. Governor, since the Democrats last ran our foreign policy, including many of the men who are advising you, the country has been relieved of the Vietnam agony and the military draft; we've started arms control negotiations with the Russians; we've opened relations with China; we've arranged the disengagement in the Middle East; we've regained influence with the Arabs without deserting Israel. Now, maybe, we've even begun a process of peaceful change in Africa.

Now, you've objected in this campaign to the style with which much of this was done, and you've mentioned some other things that you think ought to have been done. But do you really have a quarrel with this Republican record? Would you not have done any of those things?

MR. CARTER. Well, I think this Republican administration has been almost all style and spectacular and not substance. We've got a chance tonight to talk about, first of all, leadership, the character of our country, and a vision of the future. In every one of these instances, the Ford administration has failed. And I hope tonight that I and Mr. Ford will have a chance to discuss the reason for those failures.

Our country is not strong any more; we're not respected any more. We can

only be strong overseas if we're strong at home, and when I become President, we'll not only be strong in those areas but also in defense—a defense capability second to none.

We've lost, in our foreign policy, the character of the American people. We've ignored or excluded the American people and the Congress from participation in the shaping of our foreign policy. It's been one of secrecy and exclusion.

In addition to that, we've had a chance to become now, contrary to our long-standing beliefs and principles, the arms merchant of the whole world. We've tried to buy success from our enemies, and at the same time we've excluded from the process the normal friendship of our allies.

In addition to that, we've become fearful to compete with the Soviet Union on an equal basis. We talk about détente. The Soviet Union knows what they want in détente, and they've been getting it. We have not known what we've wanted, and we've been out-traded in almost every instance.

The other point I want to make is about our defense. We've got to be a nation blessed with the defense capability that's efficient, tough, capable, well organized, narrowly focused fighting capability. The ability to fight if necessary is the best way to avoid the chance for or the requirement to fight.

And the last point I want to make is this: Mr. Ford, Mr. Kissinger have continued on with the policies and failures of Richard Nixon. Even the Republican platform has criticized the lack of leadership in Mr. Ford, and they've criticized the foreign policy of this administration. This is one instance where I agree with the Republican platform.

I might say this in closing, and that is, that as far as foreign policy goes, Mr. Kissinger has been the President of this country. Mr. Ford has shown an absence of leadership and an absence of a grasp of what this country is and what it ought to be. That's got to be changed, and that is one of the major issues in this campaign of 1976.

THE MODERATOR. President Ford, would you like to respond?

THE PRESIDENT. Governor Carter again is talking in broad generalities. Let me take just one question that he raises—the military strength and capability of the United States. Governor Carter, in November of 1975, indicated that he wanted to cut the defense budget by \$15 billion. A few months later he said he wanted to cut the defense budget by \$8 billion or \$9 billion. And more recently he talks about cutting the defense budget by \$5 billion to \$7 billion. There is no way you can be strong militarily and have those kinds of reductions in our military appropriations.

Now let me just tell you a little story. About late October of 1975, I asked

the then Secretary of Defense, Mr. Schlesinger, to tell me what had to be done if we were going to reduce the defense budget by \$3 to \$5 billion. A few days later Mr. Schlesinger came back and said if we cut the defense budget by \$3 to \$5 billion, we will have to cut military personnel by 250,000, civilian personnel by 100,000, jobs in America by 100,000. We would have to stretch out our aircraft procurement. We would have to reduce our naval construction program. We would have to reduce the research and development for the Army, the Navy, the Air Force, and Marines by 8 percent. We would have to close 20 military bases in the United States immediately. That's the kind of a defense program that Mr. Carter wants.

Let me tell you this straight from the shoulder: You don't negotiate with Mr. Brezhnev from weakness. And the kind of a defense program that Mr. Carter wants will mean a weaker defense and a poorer negotiating position.

THE MODERATOR. Mr. Trehwitt, a question for President Ford.

MR. TREWHITT. Mr. President, my question really is the other side of the coin from Mr. Frankel's. For a generation the United States has had a foreign policy based on containment of communism; yet we have lost the first war in Vietnam, we lost a shoving match in Angola, Communists threaten to come to power by peaceful means in Italy, and relations generally have cooled with the Soviet Union in the last few months. So, let me ask you, first, what do you do about such cases as Italy, and, secondly, does this general drift mean that we're moving back toward something like an old cold war relationship with the Soviet Union?

THE PRESIDENT. I don't believe we should move to a cold war relationship. I think it's in the best interest of the United States and the world as a whole that the United States negotiate rather than go back to the cold war relationship with the Soviet Union.

I don't look at the picture as bleakly as you have indicated in your question, Mr. Trehwitt. I believe that the United States has had many successes in recent years and recent months as far as the Communist movement is concerned. We have been successful in Portugal where, a year ago, it looked like there was a very great possibility that the Communists would take over in Portugal. It didn't happen. We have a democracy in Portugal today.

A few months ago—or I should say maybe 2 years ago—the Soviet Union looked like they had continued strength in the Middle East. Today, according to Prime Minister Rabin, the Soviet Union is weaker in the Middle East than they have been in many, many years. The facts are the Soviet Union relationship with Egypt is at a low level; the Soviet Union relationship with Syria is

at a very low point. The United States today, according to Prime Minister Rabin of Israel, is at a peak in its influence and power in the Middle East.

But let's turn for a minute to the southern African operations that are now going on. The United States of America took the initiative in southern Africa. We wanted to end the bloodshed in southern Africa. We wanted to have the right of self-determination in southern Africa. We wanted to have majority rule with the full protection of the rights of the minority. We wanted to preserve human dignity in southern Africa. We have taken initiative, and in southern Africa today the United States is trusted by the black frontline nations and black Africa. The United States is trusted by the other elements in southern Africa.

The United States foreign policy under this administration has been one of progress and success. And I believe that instead of talking about Soviet progress, we can talk about American successes.

And may I make an observation—part of the question you asked, Mr. Trehwhitt—I don't believe that it's in the best interests of the United States and the NATO nations to have a Communist government in NATO. Mr. Carter has indicated he would look with sympathy to a Communist government in NATO. I think that would destroy the integrity and the strength of NATO, and I am totally opposed to it.

MR. CARTER. Well, Mr. Ford, unfortunately, has just made a statement that's not true. I have never advocated a Communist government for Italy; that would, obviously, be a ridiculous thing for anyone to do who wanted to be President of the country. I think that this is an instance for deliberate distortion, and this has occurred also in the question about defense. As a matter of fact, I've never advocated any cut of \$15 billion in our defense budget. As a matter of fact, Mr. Ford has made a political football out of the defense budget.

About a year ago, he cut the Pentagon budget \$6.8 billion. After he fired James Schlesinger the political heat got so great that he added back about \$3 billion. When Ronald Reagan won the Texas primary election, Mr. Ford added back another \$1½ billion. Immediately before the Kansas City convention he added back another \$1.8 billion in the defense budget. And his own Office of Management and Budget testified that he had a \$3 billion cut insurance added to the defense budget under the pressure from the Pentagon. Obviously, this is another indication of trying to use the defense budget for political purposes, which he's trying to do tonight.

Now, we went into South Africa late, after Great Britain, Rhodesia, the black nations had been trying to solve this problem for many, many years. We didn't

go in until right before the election, similar to what was taking place in 1972, when Mr. Kissinger announced peace is at hand just before the election at that time.

And we have weakened our position in NATO, because the other countries in Europe supported the democratic forces in Portugal long before we did. We stuck to the Portugal dictatorships much longer than other democracies did in this world.

THE MODERATOR. Mr. Valeriani, a question for Governor Carter.

MR. VALERIANI. Governor Carter, much of what the United States does abroad is done in the name of the national interest. What is your concept of the national interest? What should the role of the United States in the world be? And in that connection, considering your limited experience in foreign affairs and the fact that you take some pride in being a Washington outsider, don't you think it would be appropriate for you to tell the American voters, before the election, the people that you would like to have in key positions such as Secretary of State, Secretary of Defense, national security affairs adviser at the White House?

MR. CARTER. Well, I'm not going to name my Cabinet before I get elected; I've got a little ways to go before I start doing that. But I have an adequate background, I believe. I am a graduate of the U.S. Naval Academy, the first military graduate since Eisenhower. I've served as Governor of Georgia and have traveled extensively in foreign countries—in South America, Central America, Europe, the Middle East, and in Japan.

I've traveled the last 21 months among the people of this country. I've talked to them, and I've listened. And I've seen at firsthand, in a very vivid way, the deep hurt that's come to this country in the aftermath of Vietnam and Cambodia and Chile and Pakistan and Angola and Watergate, CIA revelations.

What we were formerly so proud of—the strength of our country, its moral integrity, the representation in foreign affairs of what our people are, what our Constitution stands for—has been gone. And in the secrecy that has surrounded our foreign policy in the last few years, the American people and the Congress have been excluded.

I believe I know what this country ought to be. I've been one who's loved my Nation, as many Americans do. And I believe that there is no limit placed on what we can be in the future if we can harness the tremendous resources—militarily, economically—and the stature of our people, the meaning of our Constitution in the future.

Every time we've made a serious mistake in foreign affairs, it's been because

the American people have been excluded from the process. If we can just tap the intelligence and ability, the sound commonsense, and the good judgment of the American people, we can once again have a foreign policy to make us proud instead of ashamed. And I'm not going to exclude the American people from that process in the future, as Mr. Ford and Kissinger have done.

This is what it takes to have a sound foreign policy: strong at home, strong defense, permanent commitments, not betray the principles of our country, and involve the American people and the Congress in the shaping of our foreign policy.

Every time Mr. Ford speaks from a position of secrecy—in negotiations and secret treaties that have been pursued and achieved, in supporting dictatorships, in ignoring human rights—we are weak and the rest of the world knows it.

So these are the ways that we can restore the strength of our country. And they don't require long experience in foreign policy—nobody has that except a President who served a long time or a Secretary of State. But my background, my experience, my knowledge of the people of this country, my commitment to our principles that don't change—those are the best bases to correct the horrible mistakes of this administration and restore our own country to a position of leadership in the world.

MR. VALERIANI. How, specifically, Governor, are you going to bring the American people into the decisionmaking process in foreign policy? What does that mean?

MR. CARTER. First of all, I would quit conducting the decisionmaking process in secret, as has been a characteristic of Mr. Kissinger and Mr. Ford. In many instances we've made agreements, like in Vietnam, that have been revealed later on to our embarrassment.

Recently, Ian Smith, the President of Rhodesia, announced that he had unequivocal commitments from Mr. Kissinger that he could not reveal. The American people don't know what those commitments are. We've seen in the past a destruction of elected governments, like in Chile, and the strong support of military dictatorship there. These kinds of things have hurt us very much.

I would restore the concept of the fireside chat, which was an integral part of the administration of Franklin Roosevelt. And I would also restore the involvement of the Congress. When Harry Truman was President, he was not afraid to have a strong Secretary of Defense—Dean Acheson, George Marshall were strong Secretaries of State—excuse me, State. But he also made sure that there was a bipartisan support. The Members of Congress, Arthur Vandenburg, Walter George, were part of the process. And before our Nation made a secret

agreement and before we made a bluffing statement, we were sure that we had the backing not only of the President and the Secretary of State but also of the Congress and the people. This is a responsibility of the President, and I think it's very damaging to our country for Mr. Ford to have turned over this responsibility to the Secretary of State.

THE MODERATOR. President Ford, do you have a response?

THE PRESIDENT. Governor Carter again contradicts himself. He complains about secrecy, and yet he is quoted as saying that in the attempt to find a solution in the Middle East, that he would hold unpublicized meetings with the Soviet Union—I presume for the purpose of imposing a settlement on Israel and the Arab nations.

But let me talk just a minute about what we've done to avoid secrecy in the Ford administration. After the United States took the initiative in working with Israel and with Egypt and achieving the Sinai II agreement—and I am proud to say that not a single Egyptian or Israeli soldier has lost his life since the signing of the Sinai agreement—but at the time that I submitted the Sinai agreement to the Congress of the United States, I submitted every single document that was applicable to the Sinai II agreement. It was the most complete documentation by any President of any agreement signed by a President on behalf of the United States.

Now, as far as meeting with the Congress is concerned, during the 24 months that I've been the President of the United States, I have averaged better than one meeting a month with responsible groups or committees of the Congress, both House and Senate.

The Secretary of State has appeared, in the several years that he's been the Secretary, before 80 different committee hearings in the House and in the Senate. The Secretary of State has made better than 50 speeches all over the United States explaining American foreign policy. I have made, myself, at least 10 speeches in various parts of the country, where I have discussed with the American people defense and foreign policy.

THE MODERATOR. Mr. Frankel, a question for President Ford.

MR. FRANKEL. Mr. President, I'd like to explore a little more deeply our relationship with the Russians. They used to brag, back in Khrushchev's day, that because of their greater patience and because of our greed for business deals, that they would sooner or later get the better of us. Is it possible that, despite some setbacks in the Middle East, they've proved their point? Our allies in France and Italy are now flirting with communism; we've recognized a permanent Communist regime in East Germany; we virtually signed, in Helsinki, an

agreement that the Russians have dominance in Eastern Europe; we bailed out Soviet agriculture with our huge grain sales, we've given them large loans, access to our best technology, and if the Senate hadn't interfered with the Jackson Amendment, maybe you would have given them even larger loans. Is that what you call a two-way street of traffic in Europe?

THE PRESIDENT. I believe that we have negotiated with the Soviet Union since I've been President from a position of strength. And let me cite several examples.

Shortly after I became President, in December of 1974, I met with General Secretary Brezhnev in Vladivostok. And we agreed to a mutual cap on the ballistic missile launchers at a ceiling of 2,400, which means that the Soviet Union, if that becomes a permanent agreement, will have to make a reduction in their launchers that they now have or plan to have. I negotiated at Vladivostok with Mr. Brezhnev a limitation on the MIRVing of their ballistic missiles at a figure of 1,320, which is the first time that any President has achieved a cap either on launchers or on MIRV's.

It seems to me that we can go from there to the grain sales. The grain sales have been a benefit to American agriculture. We have achieved a 5¾-year sale of a minimum of 6 million metric tons, which means that they have already bought about 4 million metric tons this year and are bound to buy another 2 million metric tons, to take the grain and corn and wheat that the American farmers have produced in order to have full production. And these grain sales to the Soviet Union have helped us tremendously in meeting the cost of the additional oil and the oil that we have bought from overseas.

If we turn to Helsinki—I am glad you raised it, Mr. Frankel—in the case of Helsinki, 35 nations signed an agreement, including the Secretary of State for the Vatican. I can't under any circumstances believe that His Holiness the Pope would agree, by signing that agreement, that the 35 nations have turned over to the Warsaw Pact nations the domination of Eastern Europe. It just isn't true. And if Mr. Carter alleges that His Holiness, by signing that, has done it, he is totally inaccurate.

Now, what has been accomplished by the Helsinki agreement? Number one, we have an agreement where they notify us and we notify them of any military maneuvers that are to be undertaken. They have done it in both cases where they've done so. There is no Soviet domination of Eastern Europe, and there never will be under a Ford administration.

MR. FRANKEL. I'm sorry, could I just follow—did I understand you to say, sir, that the Russians are not using Eastern Europe as their own sphere of influence and occupying most of the countries there and making sure with their

troops that it's a Communist zone, whereas on our side of the line the Italians and the French are still flirting with the possibility of communism?

THE PRESIDENT. I don't believe, Mr. Frankel, that the Yugoslavians consider themselves dominated by the Soviet Union. I don't believe that the Romanians consider themselves dominated by the Soviet Union. I don't believe that the Poles consider themselves dominated by the Soviet Union. Each of those countries is independent, autonomous; it has its own territorial integrity. And the United States does not concede that those countries are under the domination of the Soviet Union. As a matter of fact, I visited Poland, Yugoslavia, and Romania, to make certain that the people of those countries understood that the President of the United States and the people of the United States are dedicated to their independence, their autonomy, and their freedom.

THE MODERATOR. Governor Carter, have you a response?

MR. CARTER. Well, in the first place, I am not criticizing His Holiness the Pope. I was talking about Mr. Ford.

The fact is that secrecy has surrounded the decisions made by the Ford administration. In the case of the Helsinki agreement, it may have been a good agreement at the beginning, but we have failed to enforce the so-called Basket 3 part, which ensures the right of people to migrate, to join their families, to be free to speak out. The Soviet Union is still jamming Radio Free Europe. Radio Free Europe is being jammed.

We've also seen a very serious problem with the so-called Sonnenfeldt document which, apparently, Mr. Ford has just endorsed, which said that there is an organic linkage between the Eastern European countries and the Soviet Union. And I would like to see Mr. Ford convince the Polish Americans and the Czech Americans and the Hungarian Americans in this country that those countries don't live under the domination and supervision of the Soviet Union behind the Iron Curtain.

We also have seen Mr. Ford exclude himself from access to the public. He hasn't had a tough, cross-examination-type press conference in over 30 days. One press conference he had without sound.

He's also shown a weakness in yielding to pressure. The Soviet Union, for instance, put pressure on Mr. Ford, and he refused to see a symbol of human freedom recognized around the world—Alexander Solzhenitsyn.

The Arabs have put pressure on Mr. Ford, and he's yielded, and he has permitted a boycott by the Arab countries of American businesses who trade with Israel, who have American Jews owning or taking part in the management of American companies. His own Secretary of Commerce had to be suborned

by the Congress to reveal the names of businesses who were subject to this boycott. They didn't volunteer the information; he had to be subpenaed.

And the last thing I'd like to say is this: This grain deal with the Soviet Union in '72 was terrible, and Mr. Ford made up for it with three embargoes—one against our own ally in Japan. That's not the way to run our foreign policy, including international trade.

THE MODERATOR. Mr. Trewhitt, a question for Governor Carter.

MR. TREWHITT. Governor, I'd like to pick up on that point, actually, and on your appeal for a greater measure of American idealism in foreign affairs. Foreign affairs come home to the American public pretty much in such issues as oil embargoes and grain sales, that sort of thing. Would you be willing to risk an oil embargo in order to promote human rights in Iran, Saudi Arabia—withhold arms from Saudi Arabia for the same purpose? As a matter of fact, I think you have perhaps answered this final part, but would you withhold grain from the Soviet Union in order to promote civil rights in the Soviet Union?

MR. CARTER. I would never single out food as a trade embargo item. If I ever decided to impose an embargo because of a crisis in international relationships, it would include all shipments of all equipment. For instance, if the Arab countries ever again declare an embargo against our Nation on oil, I would consider that not a military but an economic declaration of war. And I would respond instantly and in kind. I would not ship that Arab country anything—no weapons, no spare parts for weapons, no oil-drilling rigs, no oil pipe, no nothing. I wouldn't single out just food.

Another thing I'd like to say is this: In our international trade, as I said in my opening statement, we have become the arms merchant of the world. When this Republican administration came into office, we were shipping about \$1 billion worth of arms overseas; now \$10 to \$12 billion worth of arms overseas to countries that quite often use these weapons to fight each other.

The shift in emphasis has been very disturbing to me, speaking about the Middle East. Under the last Democratic administration 60 percent of all weapons that went into the Middle East were for Israel. Nowadays—75 percent were for Israel before—now 60 percent go to the Arab countries, and this does not include Iran. If you include Iran, our present shipment of weapons to the Middle East—only 20 percent goes to Israel. This is a deviation from idealism; it's a deviation from a commitment to our major ally in the Middle East, which is Israel; it's a yielding to economic pressure on the part of the Arabs on the oil issue; and it's also a tremendous indication that under the Ford administration, we have not addressed the energy policy adequately.

We still have no comprehensive energy policy in this country, and it's an overall sign of weakness. When we are weak at home economically—high unemployment, high inflation, a confused Government, a wasteful Defense Establishment—this encourages the kind of pressure that's been put on us successfully. It would have been inconceivable 10, 15 years ago for us to be brought to our knees with an Arab oil embargo. But it was done 3 years ago and they're still putting pressure on us from the Arab countries to our discredit around the world.

These are the weaknesses that I see, and I believe it's not just a matter of idealism. It's a matter of being tough. It's a matter of being strong. It's a matter of being consistent. Our priorities ought to be, first of all, to meet our own military needs; secondly, to meet the needs of our allies and friends, and only then should we ship military equipment to foreign countries. As a matter of fact, Iran is going to get 80 F-14's before we even meet our own Air Force orders for F-14's, and the shipment of Spruance Class Destroyers to Iran are much more highly sophisticated than the Spruance Class Destroyers that are presently being delivered to our own Navy. This is ridiculous, and it ought to be changed.

MR. TREWHITT. Governor, let me pursue that, if I may. If I understand you correctly, you would, in fact, to use my examples, withhold arms from Iran and Saudi Arabia even if the risk was an oil embargo and if they should be securing those arms from somewhere else. And then, if the embargo came, then you would respond in kind. Do I have it correctly?

MR. CARTER. If—Iran is not an Arab country, as you know, it's a Moslem country. But if Saudi Arabia should declare an oil embargo against us, then I would consider that an economic declaration of war. And I would make sure that the Saudis understood this ahead of time, so there would be no doubt in their mind. I think under those circumstances, they would refrain from pushing us to our knees as they did in 1973 with the previous oil embargo.

THE MODERATOR. President Ford.

THE PRESIDENT. Governor Carter apparently doesn't realize that since I've been President, we have sold to the Israelis over \$4 billion in military hardware. We have made available to the Israelis over 45 percent of the total economic and military aid since the establishment of Israel 27 years ago. So, the Ford administration has done a good job in helping our good ally, Israel, and we're dedicated to the survival and security of Israel.

I believe that Governor Carter doesn't realize the need and necessity for arms sales to Iran. He indicates he would not make those. Iran is bordered very extensively by the Soviet Union. Iran has Iraq as one of its neighbors. The Soviet

Union and the Communist-dominated government of Iraq are neighbors of Iran, and Iran is an ally of the United States. It's my strong feeling that we ought to sell arms to Iran for its own national security and as an ally, a strong ally, of the United States.

The history of our relationship with Iran goes back to the days of President Truman, when he decided that it was vitally necessary for our own security, as well as that of Iran, that we should help that country. And Iran has been a good ally. In 1973 when there was an oil embargo, Iran did not participate; Iran continued to sell oil to the United States. I believe that it's in our interest and in the interest of Israel and Iran and Saudi Arabia for the United States to sell arms to those countries. It's for their security as well as ours.

THE MODERATOR. Mr. Valeriani, a question for President Ford.

MR. VALERIANI. Mr. President, the policy of your administration is to normalize relations with mainland China. That means establishing, at some point, full diplomatic relations and, obviously, doing something about the mutual defense treaty with Taiwan. If you are elected, will you move to establish full diplomatic relations with Peking, and will you abrogate the mutual defense treaty with Taiwan? And, as a corollary, would you provide mainland China with military equipment if the Chinese were to ask for it?

THE PRESIDENT. Our relationship with the People's Republic of China is based upon the Shanghai communique of 1972. That communique calls for the normalization of relations between the United States and the People's Republic. It doesn't set a time schedule; it doesn't make a determination as to how that relationship should be achieved in relationship to our current diplomatic recognition and obligations to the Taiwanese Government. The Shanghai communique does say that the differences between the People's Republic on the one hand and Taiwan on the other shall be settled by peaceful means.

The net result is this administration—and during my time as the President for the next 4 years—we will continue to move for normalization of relations in the traditional sense. And we will insist that the disputes between Taiwan and the People's Republic be settled peacefully, as was agreed in the Shanghai communique of 1972.

The Ford administration will not let down, will not eliminate or forget our obligation to the people of Taiwan. We feel that there must be a continued obligation to the people, the some 19 or 20 million people in Taiwan, and as we move during the next 4 years, those will be the policies of this administration.

MR. VALERIANI. Sir, the military equipment for the mainland Chinese?

THE PRESIDENT. There is no policy of this Government to give to the People's

Republic, or to sell to the People's Republic of China, military equipment. I do not believe that we, the United States, should sell, give, or otherwise transfer military hardware to the People's Republic of China or any other Communist nations, such as the Soviet Union and the like.

THE MODERATOR. Governor Carter.

MR. CARTER. I'd like to go back just one moment to the previous question, where Mr. Ford, I think, confused the issue by trying to say that we're shipping Israel 40 percent of our aid. As a matter of fact, during this current year, we are shipping Iran—or have contracted to ship to Iran—about \$7½ billion worth of arms and also to Saudi Arabia about \$7½ billion worth of arms.

Also, in 1975 we almost brought Israel to their knees after the Yom Kippur war by the so-called reassessment of our relationship to Israel. We, in effect, tried to make Israel the scapegoat for the problems in the Middle East. And this weakened our relationship with Israel a great deal and put a cloud on the total commitment that our people feel toward the Israelis. There ought to be a clear, unequivocal commitment without change to Israel.

In the Far East I think we need to continue to be strong, and I would certainly pursue the normalization of relationships with the People's Republic of China. We opened up a great opportunity in 1972—which has pretty well been frittered away under Mr. Ford—that ought to be a constant inclination toward friendship. But I would never let that friendship with the People's Republic of China stand in the way of the preservation of the independence and freedom of the people on Taiwan.

THE MODERATOR. Mr. Frankel, a question for Governor Carter.

MR. FRANKEL. Governor, we always seem, in our elections, and maybe in between, too, to argue about who can be tougher in the world. Give or take a few billion dollars, give or take one weapons systems, our leading politicians, and I think you two gentlemen, seem to settle roughly on the same strategy in the world at roughly the same Pentagon budget cost.

How bad do things have to get in our own economy, or how much backwardness and hunger would it take in the world to persuade you that our national security and our survival required very drastic cutbacks in arms spending and dramatic new efforts in other directions?

MR. CARTER. Well, always in the past we have had an ability to have a strong defense and also to have a strong domestic economy and also to be strong in our reputation and influence within the community of nations. These characteristics of our country have been endangered under Mr. Ford. We are no longer respected. In a showdown vote in the United Nations or in any other interna-

tional council we are lucky to get 20 percent of the other nations to vote with us. Our allies feel that we've neglected them. The so-called Nixon shocks against Japan have weakened our relationships there. Under this administration we have also had an inclination to keep separate the European countries, thinking that if they are separate, then we can dominate them and proceed with our secret Lone Ranger-type diplomatic efforts.

I would also like to point out that we in this country have let our economy go down the drain—the worst inflation since the Great Depression, the highest unemployment of any developed nation of the world. We have a higher unemployment rate in this country than Great Britain, than West Germany; our unemployment rate is twice as high as it is in Italy; it's three or four times as high as it is in Japan. And that terrible circumstance in this country is exported overseas. We comprise about 30 percent of the world's economic trade power influence. And when we are weak at home, weaker than all our allies, that weakness weakens the whole free world. So, strong economy is very important.

Another thing that we need to do is to reestablish the good relationships that we ought to have between the United States and our natural allies and friends—they have felt neglected. And using that base of strength, and using the idealism, the honesty, the predictability, the commitment, the integrity of our own country—that's where our strength lies. And that would permit us to deal with the developing nations in a position of strength.

Under this administration, we've had a continuation of a so-called "balance of power politics" where everything is looked on as a struggle between us on the one side and the Soviet Union on the other. Our allies, the smaller countries, get trampled in the rush.

What we need is to try to seek individualized, bilateral relationships with countries regardless of their size and to establish world order politics, which means we want to preserve peace through strength. We also want to revert back to the stature and the respect that our country had in previous administrations. Now, I can't say when this can come, but I can guarantee it will not come if Gerald Ford is reelected and this present policy is continued. It will come if I am elected.

MR. FRANKEL. If I hear you right, sir, you are saying guns and butter both, but President Johnson also had trouble keeping up both Vietnam and his domestic programs. I was really asking, when do the needs of the cities and our own needs and those of other backward and even more needy countries and societies around the world take precedence over some of our military spending? Ever?

MR. CARTER. Let me say very quickly that under President Johnson, in spite

of the massive investment in the Vietnam war, he turned over a balanced budget to Mr. Nixon. The unemployment rate was less than 4 percent. The inflation rate under Kennedy and Johnson was about 2 percent—one-third what it is under this administration. So, we did have at that time, with good management, the ability to do both. I don't think anybody can say that Johnson and Kennedy neglected the poor and the destitute people in this country or around the world.

But I can say this: The number one responsibility of any President, above all else, is to guarantee the security of our Nation, an ability to be free of the threat of attack or blackmail and to carry out our obligations to our allies and friends and to carry out a legitimate foreign policy. They must go hand in hand. But the security of this Nation has got to come first.

THE MODERATOR. President Ford.

THE PRESIDENT. Let me say very categorically, you cannot maintain the security and the strength of the United States with the kind of defense budget cuts that Governor Carter has indicated. In 1975 he wanted to cut the budget \$15 billion. He is now down to a figure of \$5 billion to \$7 billion. Reductions of that kind will not permit the United States to be strong enough to deter aggression and maintain the peace.

Governor Carter apparently does not know the facts. As soon as I became President, I initiated meetings with the NATO heads of state and met with them in Brussels to discuss how we could improve the defense relationship in Western Europe. In November of 1975, I met with the leaders of the five industrial nations in France for the purpose of seeing what we could do, acting together, to meet the problems of the coming recession. In Puerto Rico this year, I met with six of the leading industrial nations' heads of state to meet the problem of inflation so we would be able to solve it before it got out of hand.

I have met with the heads of government, bilaterally as well as multilaterally. Our relations with Japan have never been better. I was the first United States President to visit Japan. And we had the Emperor of Japan here this past year. And the net result is Japan and the United States are working more closely together now than at any time in the history of our relationship. You can go around the world—and let me take Israel, for example. Just recently, President [Prime Minister] Rabin said that our relations were never better.

THE MODERATOR. Mr. Trewhitt, a question for President Ford.

MR. TREWHITT. Mr. President, you referred earlier to your meeting with Mr. Brezhnev at Vladivostok in 1974. You agreed on that occasion to try to achieve another strategic arms limitation—SALT—agreement within the year. Nothing happened in 1975 or not very much publicly, at least, and those talks are still

dragging, and things got quieter as the current season approached. Is there a bit of politics involved there, perhaps on both sides? Or, perhaps more important, are interim weapons developments—and I am thinking of such things as the cruise missile and the Soviet SS-20 intermediate range rocket—making SALT irrelevant, bypassing the SALT negotiations?

THE PRESIDENT. First, we have to understand that SALT I expires October 3, 1977. Mr. Brezhnev and I met in Vladivostok in December of 1974 for the purpose of trying to take the initial steps so we could have a SALT II agreement that would go to 1985. As I indicated earlier, we did agree on a 2,400 limitation on launchers of ballistic missiles. That would mean a cutback in the Soviet program. It would not interfere with our own program. At the same time we put a limitation of 1,320 on MIRV's.

Our technicians have been working since that time in Geneva trying to put into technical language an agreement that can be verified by both parties. In the meantime there has developed the problem of the Soviet Backfire, their high performance aircraft, which they say is not a long-range aircraft and which some of our people say is an intercontinental aircraft. In the interim there has been the development on our part primarily, the cruise missiles—cruise missiles that could be launched from land-based mobile installations; cruise missiles that could be launched from high performance aircraft like the B-52's or the B-1's, which I hope we proceed with; cruise missiles which could be launched from either surface or submarine naval vessels. Those gray area weapons systems are creating some problems in the agreement for a SALT II negotiation.

But I can say that I am dedicated to proceeding. And I met just last week with the Foreign Minister of the Soviet Union, and he indicated to me that the Soviet Union was interested in narrowing the differences and making a realistic and a sound compromise.

I hope and trust in the best interests of both countries and in the best interests of all peoples throughout this globe that the Soviet Union and the United States can make a mutually beneficial agreement because, if we do not and SALT I expires on October 3, 1977, you will unleash again an all-out nuclear arms race with the potential of a nuclear holocaust of unbelievable dimensions. So, it is the obligation of the President to do just that, and I intend to do so.

MR. TREWHITT. Mr. President, let me follow that up. I'll submit that the cruise missile adds a whole new dimension to the arms competition, and then cite a statement by your office to the arms control association a few days ago in which you said that the cruise missile might eventually be included in a comprehensive arms limitation agreement, but that in the meantime it was an essential part of

the American strategic arsenal. Now, may I assume from that that you are tending to exclude the cruise missile from the next SALT agreement, or is it still negotiable in that context?

THE PRESIDENT. I believe that the cruise missiles which we are now developing in research and development across the spectrum—from air, from the sea, or from the land—can be included within a SALT II agreement. They are a new weapons system that has a great potential, both conventional and nuclear armed. At the same time we have to make certain that the Soviet Union's Backfire, which they claim is not an intercontinental aircraft and which some of our people contend is, must also be included if we are to get the kind of an agreement which is in the best interests of both countries.

And I really believe that it's far better for us and for the Soviet Union and, more importantly, for the people around the world that these two super powers find an answer for a SALT II agreement before October 3, 1977. I think good will on both parts, hard bargaining by both parties, and a reasonable compromise will be in the best interests of all parties.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, Mr. Ford acts like he is running for President for the first time. He has been in office 2 years, and there has been absolutely no progress made toward a new SALT agreement. He has learned the date of the expiration of SALT I, apparently.

We have seen in this world a development of a tremendous threat to us. As a nuclear engineer myself, I know the limitations and capabilities of atomic power. I also know that as far as the human beings on this Earth are concerned, that the nonproliferation of atomic weapons is number one. Only in the last few days, with the election approaching, has Mr. Ford taken any interest in a nonproliferation movement.

I advocated last May, in a speech at the United Nations, that we move immediately as a nation to declare a complete moratorium on the testing of all nuclear devices, both weapons and peaceful devices, that we not ship any more atomic fuel to a country that refuses to comply with strict controls over the waste which can be reprocessed into explosives. I've also advocated that we stop the sale by Germany and France of reprocessing plants to Pakistan and Brazil. Mr. Ford hasn't moved on this. We also need to provide an adequate supply of enriched uranium. Mr. Ford again, under pressure from the atomic energy lobby, has insisted that this reprocessing or rather reenrichment be done by private industry and not by the existing government plants.

This kind of confusion and absence of leadership has let us drift now for

2 years with the constantly increasing threat of atomic weapons throughout the world. We now have five nations that have atomic bombs that we know about. If we continue under Mr. Ford's policy, by 1985 or '90 we will have 20 nations that have the capability of exploding atomic weapons. This has got to be stopped. That is one of the major challenges and major undertakings that I will assume as the next President.

THE MODERATOR. Mr. Valeriani, a question for Governor Carter.

MR. VALERIANI. Governor Carter, earlier tonight you said America is not strong anymore, America is not respected anymore. And I feel I must ask you, do you really believe that the United States is not the strongest country in the world? Do you really believe that the United States is not the most respected country in the world, or is that just campaign rhetoric?

MR. CARTER. No, it's not just campaign rhetoric. I think that militarily we are as strong as any nation on Earth. I think we've got to stay that way and continue to increase our capabilities to meet any potential threat. But as far as strength derived from commitment to principles; as far as strength derived from the unity within our country; as far as strength derived from the people, the Congress, the Secretary of State, the President, sharing in the evolution and carrying out of a foreign policy; as far as strength derived from the respect of our own allies and friends, their assurance that we will be staunch in our commitment, that we will not deviate, and we will give them adequate attention; as far as strength derived from doing what is right, caring for the poor, providing food, becoming the breadbasket of the world instead of the arms merchant of the world—in those respects we are not strong. Also, we will never be strong again overseas unless we are strong at home. And with our economy in such terrible disarray, and getting worse by the month—we have got 500,000 more Americans unemployed today than we had 3 months ago; we have got 2½ million more Americans out of work now than we had when Mr. Ford took office—this kind of deterioration in our economic strength is bound to weaken us around the world.

And we not only have problems at home but we export those problems overseas. So, as far as the respect of our own people toward our own Government, as far as participation in the shaping of concepts and commitments, as far as a trust of our country among the nations of the world, as far as dependence of our country in meeting the needs and obligations that we've expressed to our allies, as far as the respect of our country, even among our potential adversaries, we are weak. Potentially, we are strong. Under this administration that strength has not been realized.

THE MODERATOR. President Ford.

THE PRESIDENT. Governor Carter brags about the unemployment during Democratic administrations and condemns the unemployment at the present time. I must remind him that we are at peace, and during the period that he brags about unemployment being low, the United States was at war.

Now let me correct one other comment that Governor Carter has made. I have recommended to the Congress that we develop the uranium enrichment plant at Portsmouth, Ohio, which is a publicly owned U.S. Government facility, and have indicated that the private program which would follow on in Alabama is one that may or may not be constructed, but I committed to the one at Portsmouth, Ohio.

The Governor also talks about morality in foreign policy. The foreign policy of the United States meets the highest standards of morality. What is more moral than peace? And the United States is at peace today. What is more moral in foreign policy than for the administration to take the lead in the World Food Conference in Rome in 1974, when the United States committed 6 million metric tons of food, over 60 percent of the food committed for the disadvantaged and underdeveloped nations of the world? The Ford administration wants to eradicate hunger and disease in our underdeveloped countries throughout the world. What is more moral than for the United States under the Ford administration to take the lead in southern Africa, in the Middle East? Those are initiatives in foreign policy which are of the highest moral standards. And that is indicative of the foreign policy of this country.

THE MODERATOR. Mr. Frankel, a question for President Ford.

MR. FRANKEL. Mr. President, can we stick with morality? For a lot of people it seems to cover a bunch of sins.

Mr. Nixon and Mr. Kissinger used to tell us that instead of morality we had to worry in the world about living with and letting live all kinds of governments that we really didn't like—North and South Korean dictators, Chilean fascists, Chinese Communists, Iranian emperors, and so on. They said the only way to get by in a wicked world was to treat others on the basis of how they treated us and not how they treated their own people.

But more recently we seem to have taken a different tack. We seem to have decided that it is part of our business to tell the Rhodesians, for instance, that the way they are treating their own black people is wrong and they've got to change their government. And we put pressure on them. We were rather liberal in our advice to the Italians as to how to vote.

Is this a new Ford foreign policy in the making? Can we expect that you

are now going to turn to South Africa and force them to change their government, to intervene in similar ways to end the bloodshed, as you called it, say in Chile or Chilean prisons, and to throw our weight around for the values that we hold dear in the world?

THE PRESIDENT. I believe that our foreign policy must express the highest standards of morality, and the initiatives that we took in southern Africa are the best examples of what this administration is doing and will continue to do in the next 4 years.

If the United States had not moved when we did in southern Africa, there is no doubt there would have been an acceleration of bloodshed in that tragic part of the world. If we had not taken our initiative, it's very, very possible that the Government of Rhodesia would have been overrun and that the Soviet Union and the Cubans would have dominated southern Africa.

So, the United States, seeking to preserve the principle of self-determination, to eliminate the possibility of bloodshed, to protect the rights of the minority as we insisted upon the rights of the majority, I believe followed the good conscience of the American people in foreign policy, and I believe that we have used our skill. Secretary of State Kissinger has done a superb job in working with the black African nations, the so-called frontline nations. He has done a superb job in getting the Prime Minister of South Africa, Mr. Vorster, to agree that the time had come for a solution to the problem of Rhodesia. Secretary Kissinger, in his meeting with Prime Minister Smith of Rhodesia, was able to convince him that it was in the best interests of whites as well as blacks in Rhodesia to find an answer for a transitional government and then a majority government.

This is a perfect example of the kind of leadership that the United States, under this administration, has taken. And I can assure you that this administration will follow that high moral principle in our future efforts in foreign policy, including our efforts in the Middle East, where it is vitally important because the Middle East is the crossroads of the world. There have been more disputes, and it's an area where there is more volatility than any other place in the world. But because Arab nations and the Israelis trust the United States, we were able to take the lead in the Sinai II agreement.

And I can assure you that the United States will have the leadership role in moving toward a comprehensive settlement of the Middle Eastern problems—I hope and trust as soon as possible—and we will do it with the highest moral principles.

MR. FRANKEL. Mr. President, just clarify one point. There are lots of majorities in the world that feel they are being pushed around by minority governments. And are you saying they can now expect to look to us for not just good cheer but throwing our weight on their side in South Africa or on Taiwan or in Chile, to help change their governments as in Rhodesia?

THE PRESIDENT. I would hope that as we move to one area of the world from another—and the United States must not spread itself too thinly; that was one of the problems that helped to create the circumstances in Vietnam—but as we as a nation find that we are asked by the various parties, either one nation against another or individuals within a nation, that the United States will take the leadership and try to resolve the differences.

Let me take South Korea as an example. I have personally told President Park that the United States does not condone the kind of repressive measures that he has taken in that country. But I think in all fairness and equity, we have to recognize the problem that South Korea has. On the north they have North Korea with 500,000 well-trained, well-equipped troops. They are supported by the People's Republic of China. They are supported by the Soviet Union. South Korea faces a very delicate situation. Now, the United States in this case, this administration has recommended a year ago—and we have reiterated it again this year—that the United States, South Korea, North Korea, and the People's Republic of China sit down at a conference table to resolve the problems of the Korean peninsula. This is a leadership role that the United States, under this administration, is carrying out. And if we do it—and I think the opportunities and the possibilities are getting better—we will have solved many of the internal domestic problems that exist in South Korea at the present time.

THE MODERATOR. Governor Carter?

MR. CARTER. I noticed that Mr. Ford didn't comment on the prisons in Chile. This is a typical example, maybe of many others, where this administration overthrew an elected government and helped to establish a military dictatorship. This has not been an ancient history story. Last year, under Mr. Ford, of all the Food for Peace that went to South America, 85 percent went to the military dictatorship in Chile.

Another point I want to make is this: He says we have to move from one area of the world to another. That is one of the problems with this administration's so-called shuttle diplomacy. While the Secretary of State is in one country, there are almost 150 others that are wondering what we are going to do next, what

will be the next secret agreement. We don't have a comprehensive, understandable foreign policy that deals with world problems or even regional problems.

Another thing that concerned me was what Mr. Ford said about unemployment, that insinuating that under Johnson and Kennedy that unemployment could only be held down when this country is at war. Karl Marx said that the free enterprise system in a democracy can only continue to exist when they are at war or preparing for war. Karl Marx was the grandfather of communism. I don't agree with that statement; I hope Mr. Ford doesn't, either.

He has put pressure on the Congress—and I don't believe Mr. Ford would even deny this—to hold up on nonproliferation legislation until the Congress agreed for an \$8 billion program for private industry to start producing enriched uranium.

And the last thing I want to make is this: He talks about peace, and I am thankful for peace. We were peaceful when Mr. Ford went into office, but he and Mr. Kissinger and others tried to start a new Vietnam in Angola. And it was only the outcry of the American people and the Congress when this secret deal was discovered that prevented our renewed involvement in that conflagration which was taking place there.

THE MODERATOR. Gentlemen, I am sorry to say we do not have time enough for two complete sequences of questions. We now have only 12 minutes left. Therefore, I would like to ask for shorter questions and shorter answers. And we also will drop the followup question. Each candidate may still respond, of course, to the other's answer.

Mr. Trehwitt, a question for Governor Carter.

MR. TREWHITT. Governor Carter, before this event the most communication I received concerned Panama. Would you, as President, be prepared to sign a treaty which at a fixed date yielded administrative and economic control of the Canal Zone and shared defense which, as I understand it, is the position the United States took in 1974?

MR. CARTER. Well, here again, the Panamanian question is one that has been confused by Mr. Ford. He had directed his diplomatic representative to yield to the Panamanians full sovereignty over the Panama Canal Zone at the end of a certain period of time. When Mr. Reagan raised this question in Florida, Mr. Ford not only disavowed his instructions but he also even dropped, parenthetically, the use of the word "détente."

I would never give up complete control or practical control of the Panama Canal Zone, but I would continue to negotiate with the Panamanians. When the original treaty was signed back in the early 1900's, when Theodore Roose-

velt was President, Panama retained sovereignty over the Panama Canal Zone. We retained control as though we had sovereignty.

Now, I would be willing to go ahead with negotiations. I believe that we could share more fully responsibilities for the Panama Canal Zone with Panama. I would be willing to continue to raise the payment for shipment of goods through the Panama Canal Zone. I might even be willing to reduce to some degree our military emplacements in the Panama Canal Zone, but I would not relinquish practical control of the Panama Canal Zone any time in the foreseeable future.

THE MODERATOR. President Ford.

THE PRESIDENT. The United States must and will maintain complete access to the Panama Canal. The United States must maintain a defense capability of the Panama Canal, and the United States will maintain our national security interests in the Panama Canal.

The negotiations for the Panama Canal started under President Johnson and have continued up to the present time. I believe those negotiations should continue. But there are certain guidelines that must be followed, and I've just defined them.

Let me take just a minute to comment on something that Governor Carter said on nonproliferation. In May of 1975, I called for a conference of nuclear suppliers. That conference has met six times. In May of this year, Governor Carter took the first initiative, approximately 12 months after I had taken my initiative a year ago.

THE MODERATOR. Mr. Valeriani, a question for President Ford.

MR. VALERIANI. Mr. President, the Government [General] Accounting Office has just put out a report suggesting that you shot from the hip in the *Mayaguez* rescue mission and that you ignored diplomatic messages saying that a peaceful solution was in prospect. Why didn't you do more diplomatically at the time? And a related question: Did the White House try to prevent the release of that report?

THE PRESIDENT. The White House did not prevent the release of that report. On July 12 of this year, we gave full permission for the release of that report. I was very disappointed in the fact that the GAO released that report because I think it interjected political, partisan politics at the present time.

But let me comment on the report. Somebody who sits in Washington, D.C., 18 months after the *Mayaguez* incident can be a very good grandstand quarterback. And let me make another observation. This morning I got a call from the skipper of the *Mayaguez*. He was furious, because he told me that it was the

action of me, President Ford, that saved the lives of the crew of the *Mayaguez*. And I can assure you that if we had not taken the strong and forceful action that we did, we would have been criticized very, very severely for sitting back and not moving.

Captain Miller is thankful, the crew is thankful. We did the right thing. It seems to me that those who sit in Washington 18 months after the incident are not the best judges of the decisionmaking process that had to be made by the National Security Council and by myself at the time the incident was developing in the Pacific.

Let me assure you that we made every possible overture to the People's Republic of China and, through them, to the Cambodian Government; we made diplomatic protest to the Cambodian Government through the United Nations. Every possible diplomatic means was utilized. But at the same time I had a responsibility, and so did the National Security Council, to meet the problem at hand, and we handled it responsibly. And I think Captain Miller's testimony to that effect is the best evidence.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, I am reluctant to comment on the recent report. I haven't read it. I think the American people have only one requirement—that the facts about *Mayaguez* be given to them accurately and completely.

Mr. Ford has been there for 18 months. He had the facts that were released today immediately after the *Mayaguez* incident. I understand that the report today is accurate. Mr. Ford has said, I believe, that it was accurate and that the White House made no attempt to block the issuing of that report. I don't know if that is exactly accurate or not.

I understand that both the Department of State and the Defense Department have approved the accuracy of today's report, or yesterday's report, and also the National Security Agency. I don't know what was right or what was wrong or what was done. The only thing I believe is that whatever the knowledge was that Mr. Ford had should have been given to the American people 18 months ago, immediately after the *Mayaguez* incident occurred.

This is what the American people want. When something happens that endangers our security, or when something happens that threatens our stature in the world, or when American people are endangered by the actions of a foreign country, just 40 sailors on the *Mayaguez*, we obviously have to move aggressively and quickly to rescue them. But then, after the immediate action is taken, I believe the President has an obligation to tell the American people the truth and not wait 18 months later for the report to be issued.

THE MODERATOR. Gentlemen, at this time we have time for only two very short questions. Mr. Frankel, a question for Governor Carter.

MR. FRANKEL. Governor Carter, if the price of gaining influence among the Arabs is closing our eyes a little bit to their boycott against Israel, how would you handle that?

MR. CARTER. I believe that the boycott of American businesses by the Arab countries, because those businesses trade with Israel or because they have American Jews who are owners or directors in the company, is an absolute disgrace. This is the first time that I remember in the history of our country when we've let a foreign country circumvent or change our Bill of Rights. I will do everything I can as President to stop the boycott of American businesses by the Arab countries.

It's not a matter of diplomacy or trade with me; it's a matter of morality. And I don't believe that the Arab countries will pursue it when we have a strong President who will protect the integrity of our country, the commitment of our Constitution and Bill of Rights, and protect people in this country who happen to be Jews—it may later be Catholics, it may later be Baptists—who are threatened by some foreign country. But we ought to stand staunch. And I think it is a disgrace that so far Mr. Ford's administration has blocked the passage of legislation that would have revealed by law every instance of the boycott, and it would have prevented the boycott from continuing.

THE MODERATOR. President Ford?

THE PRESIDENT. Again, Governor Carter is inaccurate. The Arab boycott action was first taken in 1952. And in November of 1975, I was the first President to order the executive branch to take action—affirmative action through the Department of Commerce and other Cabinet Departments—to make certain that no American businessman or business organization should discriminate against Jews because of an Arab boycott.

And I might add that my administration—and I am very proud of it—is the first administration that has taken an antitrust action against companies in this country that have allegedly cooperated with the Arab boycott. Just on Monday of this week, I signed a tax bill that included an amendment that would prevent companies in the United States from taking a tax deduction if they have, in any way whatsoever, cooperated with the Arab boycott.

And last week, when we were trying to get the Export Administration Act through the Congress—necessary legislation—my administration went to Capitol Hill and tried to convince the House and the Senate that we should have

an amendment on that legislation which would take strong and effective action against those who participate or cooperate with the Arab boycott.

One other point: Because the Congress failed to act I am going to announce tomorrow that the Department of Commerce will disclose those companies that have participated in the Arab boycott. This is something that we can do. The Congress failed to do it, and we intend to do it.

THE MODERATOR. Mr. Trehitt, a very brief question for President Ford.

MR. TREWHITT. Mr. President, if you get the accounting of missing in action you want from North Vietnam—or from Vietnam, I am sorry, now—would you then be prepared to reopen negotiations for restoration of relations with that country?

THE PRESIDENT. Let me restate our policy. As long as Vietnam, North Vietnam, does not give us a full and complete accounting of our missing in action, I will never go along with the admission of Vietnam to the United Nations. If they do give us a bona fide, complete accounting of the 800 MIA's, then I believe that the United States should begin negotiations for the admission of Vietnam to the United Nations, but not until they have given us the full accounting of our MIA's.

THE MODERATOR. Governor Carter?

MR. CARTER. One of the most embarrassing failures of the Ford administration, and one that touches specifically on human rights, is his refusal to appoint a Presidential commission to go to Vietnam, to go to Laos, to go to Cambodia and try to trade for the release of information about those who are missing in action in those wars. This is what the families of MIA's want. So far, Mr. Ford has not done it. We have had several fragmentary efforts by Members of the Congress and by private citizens.

Several months ago the Vietnam Government said we are ready to sit down and negotiate for release of information on MIA's. So far, Mr. Ford has not responded.

I also would never formalize relationships with Vietnam nor permit them to join the United Nations until they have taken this action. But that is not enough. We need to have an active and aggressive action on the part of the President, the leader of this country, to seek out every possible way to get that information which has kept the MIA families in despair and doubt, and Mr. Ford has just not done it.

THE MODERATOR. Thank you, Governor Carter.

That completes the questioning for this evening. Each candidate now has up to 3 minutes for a closing statement. It was determined by the toss of a coin

that Governor Carter would take the first question, and he now goes first with his closing remarks.

Governor Carter.

MR. CARTER. The purpose of this debate and the outcome of the election will determine three basic things—leadership, upholding the principles of our country, and proper priorities and commitments for the future.

This election will also determine what kind of world we leave our children. Will it be a nightmare world, threatened with the proliferation of atomic bombs, not just in five major countries, but dozens of smaller countries that have been permitted to develop atomic weapons because of a failure of our top leadership to stop proliferation? Will we have a world of hunger and hatred, and will we be living in an armed camp, stripped of our friendships and allies, hiding behind a tight defense that has been drawn in around us because we are fearful of the outside world? Will we have a government of secrecy that excludes the American people from participation in making basic decisions and therefore covers up mistakes and makes it possible for our Government—our Government—to depart from the principles of our Constitution and Bill of Rights? Or will we have a world of peace with the threat of atomic weapons eliminated, with full trade, with our people at work, inflation controlled, openness in government, our people proud once again; Congress, citizens, President, Secretary of State, working in harmony and unity toward a common future, a world where people have enough to eat, and a world where we care about those who don't? Can we become a breadbasket of the world, instead of the arms merchant of the world? I believe we can and we ought to.

Now, we have been hurt in recent years in this country, in the aftermath of Vietnam, Cambodia, Chile, Pakistan, Angola, Watergate, CIA. We have been hurt. Our people feel that we have lost something precious. That's not necessary. I want to see our Nation return to a posture and an image and a standard to make us proud once again. I remember the world of NATO and the world of point four and the world of the Marshall plan and a world of the Peace Corps. Why can't we have that once again?

We ought to be a beacon for nations who search for peace and who search for freedom, who search for individual liberty, who search for basic human rights. We haven't been lately. We can be once again.

We will never have that world leadership until we are strong at home, and we can have that strength if we return to the basic principles. It ought not to be a strength of bombast and threats. It ought to be a quiet strength based on the integrity of our people, the vision of the Constitution, and an innate strong will

and purpose that God has given us in the greatest nation on Earth, the United States.

THE MODERATOR. President Ford.

THE PRESIDENT. As we have seen tonight, foreign policy and defense policy are difficult and complex issues. We can debate methods; we can debate one decision or another. But there are two things which cannot be debated—experience and results.

In the last 2 years I have made policy decisions involving long-range difficulties and policies and made day-to-day judgments, not only as President of the United States but as the leader of the free world.

What is the result of that leadership? America is strong, America is free, America is respected. Not a single young American today is fighting or dying on any foreign battlefield. America is at peace, with freedom.

Thank you, and good night.

THE MODERATOR. Thank you, President Ford. Thank you, Governor Carter. I also want to thank our questioners and the audience here this evening.

The third and final debate between President Ford and Governor Carter will take place on October the 22d at 9:30 p.m., eastern daylight time, on the campus of the College of William and Mary in Williamsburg, Virginia. The subject matter will cover all issues.

These debates are sponsored by the League of Women Voters Education Fund to help voters become better informed on the issues and to generate greater voter turnout in the November election.

Now from the Palace of Fine Arts Theatre in San Francisco, good night.

NOTE: The debate began at 6:30 p.m. at the Palace of Fine Arts Theatre in San Francisco, Calif. It was broadcast live on radio and television.

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Exchange With Reporters Following the Presidential Campaign Debate in San Francisco. *October 6, 1976*

REPORTER. Mr. President, you have said tonight that these issues were complicated and difficult to discuss. Do you think that you did a good enough job of discussing Eastern Europe, or do you think you left some confusion?

THE PRESIDENT. I think I answered all the questions; I set forth our policies. And the final note, of course, is that we are at peace, and we are going to keep the peace.

Q. Mr. President, do you think that Mr. Carter responded to the first question or went and made an opening statement?

THE PRESIDENT. Well, I thought he was very general, as I indicated. He covered a great many issues without talking about any answers. Therefore, I thought that he ought to be pinned down, and I thought the questioners made a big effort to do so. And we certainly hope—or I certainly hope that the American people will make certain in the future that he gives specific answers to specific questions.

Q. Who won the debate?

THE PRESIDENT. I think we did all right. We enjoyed it.

Q. How do you think you did in comparison to Carter?

THE PRESIDENT. I am not the best one to pass judgment on that. I felt comfortable, I answered the questions specifically, and I feel very good about tonight, just as I did about the first one. Thank you all very much.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 8:05 p.m. at the Palace of Fine Arts Theatre.

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Exchange With Reporters Following the Presidential Campaign Debate in San Francisco. *October 6, 1976*

REPORTER. Mr. President, could you tell us who you talked with since you came home?

THE PRESIDENT. I talked to my wonderful wife and to Secretary Kissinger.

Q. Well, what did they have to say to you?

THE PRESIDENT. They all thought we did quite well.

Q. They think you won it?

THE PRESIDENT. Well, they are a little prejudiced, but I think they were optimistic about the outcome of it.

Q. What did Secretary Kissinger have to say? Anything specific about how the debate had gone with this subject?

THE PRESIDENT. He just felt that we had taken the offensive and we had talked affirmatively about our successes. That was the truth, so he was very pleased.

Q. Do you agree with Mrs. Ford and the Secretary that you won it?

THE PRESIDENT. Well, I don't disagree with my wife very often, so on this occasion I will agree with her, as I do on most.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 8:36 p.m. at the residence of Mr. and Mrs. John Sutro, where the President stayed during his visit to San Francisco.

As printed above, this item follows the text of the White House press release.

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Remarks at a President Ford Committee Campaign Debate Party in San Francisco. *October 6, 1976*

LET ME thank all of you for coming here. And let me express my deepest appreciation for not only being here but the support that you are going to give us in the weeks ahead. We have less than 4 weeks to go before November 2, so we've got a lot of work to do, and we've got to do it fast and well, and November 2 will be a great victory for the American people.

I am honored to have on the platform here tonight a number of my very close, personal friends and very ardent and strong and effective supporters. Let me introduce them to you.

First, Senator Howard Baker of Tennessee and Mrs. Baker. And then, of course, your attorney general for the State of California, Evelle Younger. And we have two of my very close and very helpful friends from the United States Congress, Congressman Pete McCloskey, and another very good friend from the State of California, an outstanding Member of the House of Representatives, Don Clausen. And then there is a man who I have long admired, who I think will be an outstanding Member of the United States Senate, Dr. Hayakawa.

Now, just a minute to be serious. The reason we're going to win on November 2 is that for the last 2 years, we have had good policies domestically, and we have had sound and effective policies internationally. We started from behind—and how many can remember just a few weeks ago, when the polls showed that we were 32 percent behind? I would much rather be a slow starter and a fast finisher.

I said in Kansas City, we don't concede a single State, we don't concede a single vote; that we were going to campaign from the snowy banks of Minnesota to the sandy plains of Georgia, and we are. California is one of the most crucial and critical States in this election. I am encouraged by the polls. We are

behind, but we are going to win. Thank you for making it possible. Thank you for tonight.

NOTE: The President spoke at 8:55 p.m. in the

Grand Ballroom at the St. Francis Hotel. The party was sponsored by the Bay Area President Ford

Committee.

Following his remarks, the President attended a Republican Party reception at the hotel.

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Remarks to Employees of the Rockwell International Corporation in Hawthorne, California.

October 7, 1976

Thank you very much, Bob, Congressman Rousselot, Congressman Moorhead, ladies and gentlemen:

Let me at the outset congratulate you, Bob, and the B-1 Division of the Rockwell International. It's a great privilege and a very high honor for me to have the opportunity of being here with you today.

Last night, as some of you may know, I engaged in a very serious discussion about the need for maintaining a strong national defense. My opponent and I differ on how to go about that process. One of those differences is represented by the model that you work on, that I have just seen, and I think it's a crucial issue in this campaign.

But first, let me congratulate all of you for winning the Zero Defect Award. I'm glad you are not working for the Carter campaign. [*Laughter*] I might say parenthetically that there are a lot of defects to choose in that campaign, but one of the biggest of Mr. Carter's defects is his opposition to the B-1 bomber.

As you and I meet this morning, thousands of American servicemen all around the globe are standing watch, some patrolling borders, some sailing a ship, and some manning our aircraft. As Commander in Chief, I am responsible for each one of them. We owe each one of those young Americans not just our support and our prayers—we owe them the very best equipment that this country can buy.

Our current manned bomber, the B-52, is already more than 20 years old, and by the time the B-1 is ready to take its place, the B-52 will be in operation over four decades. I don't believe that any President should ask any serviceman to defend his country in a combat aircraft that is older than he is.

Last night, we both agreed on the need for toughness in facing the Soviet Union. But toughness requires more than talk. It requires having the right

weapon systems. If we want peace in the world, we have to let our enemies know we're willing to defend the peace. They may not understand that in English, but this B-1 is the message that they will clearly understand.

The B-1 is one of the clearest examples as to what is at stake in this campaign. My opponent either favors the cancelling or the delay of the B-1. His running mate in the Senate, Senator Mondale, voted against the B-1 in the Senate no less than three times. They say the B-1 is unnecessary. I certainly hope and pray that is true, but what if those critics are wrong?

The very fact that we don't have the B-1 could well invite a challenge from abroad. If we are wrong about buying the B-1, the cost will be measured in dollars and cents. If we are wrong about not buying the B-1, the cost could be well measured in lives and in blood.

As President, I will not take that chance. Our children will live in a future where Soviet technology poses an increasing threat to the security of the United States. The B-1 bomber provides graphic proof to our friends and to our enemies that 200 years have not diminished America's commitment to freedom.

The B-1 bomber is not the only major difference in this campaign. Another fundamental and critical issue is the proper size of America's defense budget. The issue is simple. Our opponent wants to cut it. We want to keep it intact and keep it strong.

Over the last year and a half, our opponents have cited various figures as to how much the defense budget ought to be cut. About a year ago, Mr. Carter said it could be cut \$15 billion. A few months ago he changed and said it could be cut \$7 to \$9 billion, and now the figure they use is \$5 to \$7 billion.

They are vague about the place where those cuts could be made, but the realities of manpower needs and pension requirements and many, many other fixed costs ensure that a cut of that magnitude—whether it's 15, or 7 to 9, or 5 to 7—would have to come from weapon system procurement. That would be a strategic tragedy for America. It would be an economic tragedy for the State of California and other States which do the research and development and build this wonderful weapon system.

Our opponent's platform amounts to an overall policy of "fire them and hire them." First, their \$5 to \$7 billion in defense cuts would put you and thousands and thousands of others out of work. Then the Humphrey-Hawkins bill would try to put you back to work in dead-end public service jobs. That formula would be a triple disaster. It would mean less defense, it would mean less real employment, it would mean more taxes and more inflation.

Our opponents have managed to turn the words of President Teddy Roosevelt upside down. Some of you may recall that Teddy Roosevelt once said, "Speak softly and carry a big stick." Our opponents want to speak loudly and carry a fly swatter. Such an attitude is a danger to our military and diplomatic stability abroad and to our economic stability here in America.

World peace depends on continued American military strength. Over the years, the workers of California have played a vital role in maintaining that strength and keeping that peace. You have done a great job. In the next 4 years, I am going to see that you keep right on doing it.

Thank you. Congratulations.

NOTE: The President spoke at 9:35 a.m. at the B-1 Division of the Rockwell International Corporation. In his opening remarks, he referred to Robert Ander-

son, president and chief executive officer of Rockwell International.

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Memorandum to Secretary of Commerce Richardson on the Arab Boycott of American Businesses. *October 7, 1976*

Memorandum for the Secretary of Commerce

Would you please assure that the Department of Commerce takes steps to permit the public inspection and copying of boycott-related reports to be filed in the future with the Department of Commerce. Only business proprietary information regarding such things as quantity and type of goods exported, the release of which could place reporting firms at a competitive disadvantage, should not be made available to the public.

During the past year, there has been a growing interest in and awareness of the impact of the Arab Boycott on American business. Disclosure of boycott-related reports will enable the American public to assess for itself the nature and impact of the Arab Boycott and to monitor the conduct of American companies.

I have concluded that this public disclosure will strengthen existing policy against the Arab Boycott of Israel without jeopardizing our vital interests in the Middle East. The action I am directing today should serve as a reaffirmation of our national policy of opposition to boycott actions against nations friendly to us.

GERALD R. FORD

NOTE: The text of the memorandum was released in Los Angeles, Calif.

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Remarks at the University of Southern California in
Los Angeles. *October 7, 1976*

Thank you very, very much, Glenn, Dr. Hubbard, Bob Flourney—I should say, Bob Fluor and Hugh Flourney—students, faculty, and guests:

It's great to be at the home of the University of Southern California, the home of the conquering Trojans. I will tell you one thing: I would rather run against Jimmy Carter than Ricky Bell ¹ any time. [*Laughter*] And I might add that I started out way behind, but I've been swimming upstream ever since. By November I hope to be known as the John Naber ² of politics.

The opinion polls have been very encouraging lately. But as I said in Kansas City a few weeks ago, the only polls that count are the polls that the American people go to on November 2.

My campaign experts tell me if past performance is a guide, your age group will be the least representative at the polls on election day. When I was minority leader in the House of Representatives, I worked hard with many others to lower the voting age to 18. Even though some of the experts said young Americans would vote against my party more than for it, I wanted to open up the system, make sure that you had a voice as to what goes on in your Government. But for one reason or another most people your age have never taken advantage of this new right and this new privilege. The experts say the majority probably won't vote in this election. I hope that forecast is wrong, and I believe it is wrong. You have the biggest stake in the country's future. You must take an active interest in the work of your Government.

One reason for the low turnout, probably, the low turnout of the past, must be that some of you have been disappointed so many times. Through most of your lives America has been in turmoil. Some of our most beloved leaders were assassinated, including my good friend and our President, John F. Kennedy, who spoke here as a candidate in 1960 and whose memory is honored with a plaque in your library. There was a war that seemed to have no end. There were destructive riots in our cities and on some of our campuses. We suffered runaway inflation and the worst recession in 40 years. We were betrayed by wrongdoings at the highest level of our Government.

¹ University of Southern California football player.

² Winner of four gold medals in swimming in the 1976 Summer Olympic games and a student at the University of Southern California.

But let me assure you that things are better in the United States of America today, and they are going to get better in the future.

In August 9, 1974, as I said on taking the oath of office as President, our long national nightmare is over. In the last 2 years, the United States of America has made an amazing comeback and as I said a moment ago, we are not through yet. In the last 2 years trust has been restored to the White House. We have turned the economy around. We are at peace, and I will keep it that way. We have entered an era of good feeling. We have given the American people a fresh start for the future.

On July 4 of this year, we celebrated the biggest birthday party in our Nation's history. America was 200 years old and growing strong in the future. We found ourselves healed and united as never before. We found that we were looking at the future with faith instead of fear. For all our faults, for all of the troubles that we have had in recent years, we felt proud to be Americans, proud of this great country that we live in and work for and will do our best for in the future.

We still have our share of serious problems. We still have goals that have not been reached. But we have found a strength in ourselves and in our national character that is more powerful than all of our armaments, more precious than all of our wealth, and as enduring as the United States Constitution.

As we look back to the days of the American Revolution, we felt the same strong spirit which guided the courageous men and women who founded this Nation. We realize more vividly than ever before that we are the heirs of the greatest, the most constructive, the most enduring revolution in the history of mankind. And as we move forward into the third century of America's independence, we know that the challenges of the future will be greater than those we faced in the past.

Here at home our greatest challenge is to ensure that every American who wants a job can find a job, a job that gives a person pride as well as a paycheck, a job with an opportunity for advancement, a job generated by the demands of a healthy economy, not manufactured by a Big Brother government.

We must make it easier for people to buy a home, a home of their own, while they are still young enough to enjoy it. We must make sure that our older people don't have to go broke just to get well. We must make it possible for every young American to get an education of the highest quality, an education that you can use when you get out of school—USC, Michigan, Yale, or any other of the outstanding educational institutions in this country today.

We must make sure that our streets and campuses are free from the threat of violent crime. We must try harder to protect our environment, to purify the

water that we drink and the air that we breathe. We must enlarge our capacity for recreation, enrich and preserve our treasure of natural beauty and our heritage of history throughout America.

We must keep America strong and secure, but with volunteers and not with a military draft. Above all, we must keep the peace that America enjoys today, the peace that finds no Americans in combat anywhere throughout the globe right now. I am the first President in 20 years to stand for election in a time of peace. You are the first generation of college graduates who in 15 years do not have to face the prospects of going to war. And I intend to keep it that way.

Keeping peace with freedom is the key to all of our hopes and aspirations. Without peace, we cannot concentrate on improving the quality of life in America. Without freedom, life has no quality at all. Therefore, I will take every possible step to build peace, not only for ourselves but for all of the world. We are taking those steps today toward peace where the going is hardest, but where the stakes are the highest—the Middle East, southern Africa, and the strategic arms limitation talks with the Soviet Union.

After so many years of war, we are proud as a nation to stand for peace. We are proud to stand for what is right in the world—human dignity, decency, equality, and freedom.

Last night in the debate, I spoke of America's firm support for the aspiration for independence of the nations of Eastern Europe. The United States has never conceded—and never will concede—their domination by the Soviet Union. I admire the courage of the Polish people and have always supported the hopes of Polish Americans for freedom of their ancestral homeland. It is our policy to use every peaceful means to assist countries in Eastern Europe in their efforts to become less dependent on the Soviet Union and to establish closer and closer ties with the West and, of course, the United States of America.

I am every much aware of the present plight of the Eastern European nations, and as I declared in this year's Captive Nations proclamation [4448], and I quote, "The United States supports the aspirations for freedom, independence and national self-determination of all peoples. We do not accept foreign domination over any nation," period.

We really believe, as our founders did, that these are the inalienable rights of people everywhere. We believe that America is a very special country, that in 200 years we have passed from open rebellion against foreign misrule to a peaceful, continuing revolution for the rights of free men and women.

If we are to be true to our heritage, Americans must continue to have the confidence that we can control our own lives, that we can leave our children

a better world than we found, that government will be under our control, a capable servant and not a meddling master.

We did not throw off the bonds of oppressive government in the 18th century only to create one for ourselves two centuries later. The greatest danger I see in America today is the overwhelming of the individual—you and millions like you in this wonderful country being overwhelmed by the massive institutions of government, business, labor, communications—yes, even education. I see government growing too large, too powerful, too costly, too remote, too deeply involved in our daily lives.

The mounting troubles in Great Britain, our old and honored ally, offer compelling evidence that we cannot keep relying on government alone to solve all of our problems. Faced with the greatest financial crisis in the history of British democracy, Prime Minister Callaghan, before a recent convention of his Labor Party, had the courage to say, and I quote him, “Britain for too long has lived on borrowed time, borrowed money, and borrowed ideas. We will fail,” he said, “if we think we can buy our way out of our present difficulties by printing confetti money and paying ourselves more than we earn.” That is advice that I think in good conscience we should take. We must not let that happen in America now or in the future. We better avoid it; we can avoid it; and as long as I am President of the United States, we will avoid it.

We must have a new generation of freedom in America—not the freedom to shirk our responsibilities and to let the Government assume them, but the freedom to do what we want to do and what we ought to do. With the Government’s help—but not at the Government’s direction—that is the kind of America that I want. That is why I am a candidate for the Presidency of the United States and why I come here on this wonderful campus and ask you for your help on November 2.

Thank you very much.

NOTE: The President spoke at 12:37 p.m. from the steps of Doheny Library. In his opening remarks, he referred to Glenn Sonnenberg, student body president, John R. Hubbard, president, J. Robert Fluor,

chairman of the board of trustees, and Houston Flourney, chairman of the Council of Deans, University of Southern California.

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Remarks in Beverly Hills, California, to Republican Fundraising Dinners. October 7, 1976

Thank you very, very much, Bob, Governor Reagan, Mrs. Reagan, Holmes Tuttle, Margaret Brock, Cardinal Manning, Rabbi Magnin, distinguished guests at 22 dinners across the land, ladies and gentlemen:

It has been 7 weeks since Kansas City. We've got the issues, we've got the momentum, and we've got less than 4 weeks to win a great victory for the American people, and we will.

I said in Kansas City that we wouldn't concede a single vote, we wouldn't concede a single State—and we haven't, and we won't. Governor Reagan and I are teaming up to say we are going to carry California with 45 electoral votes, we are going to elect a Republican Senator and a number of new Republican Congressmen America can be proud of in the next session of the Congress.

I told you in Kansas City that I was ready and eager to debate Mr. Carter face to face on the real issues. I still am, if I can ever pin him down. [*Laughter*] I don't think he knows what the real issues are.

We've heard a lot of doubletalk from Mr. Carter, a lot of conversation, a lot of irresponsible promises. I still don't know where Mr. Carter stands on most issues and I am not sure he does, either. I can sympathize when he says he will have to take a few years of study to examine the problems and get all of the facts. That's reasonable. Let's give Mr. Carter a few more years to prepare himself, but not on the taxpayers' money or time.

You know what I will do, because you know what I have done for the past 26 months. You know where we were then, and you know where we are now—at peace, recovering from a recession, rebuilding pride in America—America's 200 years of freedom. You know what I have done as President, despite the blockade of a Congress stacked 2 to 1 against me.

We heard before the convention that our party was sick and dying. Now we hear the voters are overcome with apathy and don't really care who wins this great election. I don't believe that. I don't believe the American people believe that. There will be a big election, and we are going to win.

The American people do have a clear choice; they do care. Our job is to get them to the polls November 2 to register the right choice for this country for the next 4 years. Make no mistake: This election is about the direction that America will take in its third century of independence. Mr. Carter can be defi-

cient on details, but the general direction of his philosophy is very plain—it is unstable, it is unreliable. It won't work because it hasn't worked.

Mr. Carter wants more Federal Government; I want less. Mr. Carter wants higher Federal taxes for middle-income taxpayers; I want lower taxes for everybody, especially the overburdened man in the middle. Mr. Carter wants less defense. He wants it on the cheap. I want the strongest and best military capability that science and money can provide, and we will keep it under the Ford administration. Mr. Carter wants to reduce our commitments to our allies; I must maintain America's leadership for peace and for freedom around the world, and we will during the next 4 years. There are serious differences, real choices to be made.

Mr. Carter and his party's platform chart one course for this country. No matter how he zigs and zags, there is no doubt where we want to go. The direction Mr. Carter would take us is the same one that brought us double-digit inflation, a taxload that kills initiative and slows expansion, a slowdown in research and development and oppressive interference by a know-it-all Federal Government.

I want a new direction, a direction with more freedom and more liberty for 215 million Americans.

This year my budget cut the rate of Government growth by half. Congress added \$18 billion more. Despite the extravagance of a majority in the Congress, I will submit a balanced budget by 1978. I have cut 11,000 jobs from Federal bureaucracy. Next year, with a better Congress, I will make our Government more responsive and more responsible to you, the taxpayers.

My 59 vetoes saved the American taxpayers over \$9 billion. Mr. Carter constantly criticizes. If his party's Congress had not overridden 12 of my vetoes, I would have saved all of you \$16 billion more for the middle-income taxpayer. That would save his hard-pressed family \$200, and that is what we have got to do in the months and years ahead.

When I say I stand for smaller government, my performance proves it. Mr. Carter says he is for reforming and reorganizing bureaucracy, but his performance tells a far different story. Ask your friends from Georgia.

What do you think you will get from a liberal President and another 2 to 1 liberal Congress? One guarantee: You certainly will get more spending and bigger deficits, and you can depend on that. Another thing you will get is more runaway inflation. You certainly won't get lower Federal taxes. You won't get less Federal Government. So, the choice before our country is clear. You know where I stand.

As dedicated Americans, we are not motivated by the love of governmental power, but by the concern and the fear of it. I am talking about those who work hard, pay their taxes, obey the laws and want to enjoy their God-given liberties. We are committed to a policy of peace through strength in a world where freedom is still threatened by aggressors who would destroy our freedom. The United States of America must remain number one.

I know how deeply all of you are devoted to these wonderful principles. I thank you for your steadfast support. But there is one more effort I ask of you. Republicans alone cannot win this election. The principles we hold are just as dear to millions of our friends and neighbors who prefer to be Democrats and Independents.

Between now and November 2, I ask every Republican to persuade just one Independent and one Democrat—two concerned citizens who feel as we do about the new direction that this country must take—to go to the polls and vote their true convictions. If you do this—person to person, friend to friend—we can win, and we will win a great victory for the American people.

We must go forward together. There is no way we can lose, except by resting before the last poll closes.

Together, not as partisans but as proud Americans, let's get America off to a good start on our third century of freedom and liberty.

Thank you and good night.

NOTE: The President spoke at 7:52 p.m. in the International Ballroom at the Beverly Hilton Hotel, and his remarks were heard over closed-circuit television at 22 fundraising dinners across the United States.

In his opening remarks, the President referred to Bob Hope, entertainer and master of ceremonies at the dinner, Holmes Tuttle and Margaret Brock, co-chairmen of the dinner, The Most Reverend Timothy

Cardinal Manning, archbishop of Los Angeles, and Rabbi Edward F. Magnin of the Wilshire Boulevard Temple.

Prior to his remarks, the President met privately with former Governor Ronald Reagan and then, accompanied by Mrs. Ford and the Reagans, greeted guests at the dinner in the Empire Room at the hotel.

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Remarks and a Question-and-Answer Session in Los Angeles With Members of the San Fernando Valley Business and Professional Association. *October 8, 1976*

THANK YOU very, very much, Matt. And it goes without saying that I am delighted to be in this wonderful valley and to have an opportunity of making a few comments and then responding to some questions, which I am sure that you have on your mind.

But before doing so, I'd like to give you some very straight talk on the question of taxes. I say straight talk, because if we could put a tax on empty rhetoric in this political year, we'd have the national debt paid off in a week. [*Laughter*]

When we talk about taxes, we are actually talking more than just about money. Every tax dollar represents your time, your energy, and your individual hard work. Those tax dollars ought to work just as hard for you as you work for them.

Mr. Carter's platform calls for new Government programs that could cost at a minimum of \$100 billion each year. And if you take a further analysis, those programs would add up to \$200 billion in additional Government expenditures every year. He never puts a price tag on those programs. He just says he'll soak the rich, close the loopholes, and everything will be just fine.

If we put a 100-percent tax on all personal income over \$50,000 a year in America, it would produce less than \$9 billion per annum. I ask, in all honesty, where is the other \$191 billion coming from if you use his minimum cost of those new programs? There are two choices: One, Mr. Carter can have a \$191 billion deficit; two, he can do what he said he would do and raise taxes on every American family above the median income of \$14,000 per person. I say there is a better way—cut spending, cut taxes, keep more of your own money. To me, tax reform means tax reduction.

For 10 years now Federal spending has grown at an alarming rate. The facts are, it's grown at a rate of about 11 percent per year, thanks to an overtaking, overspending, overbearing Congress. The budget that I submitted to the Congress in January of this year—I proposed a cut in the rate of growth of Federal spending by half, from about 11 percent to 5½ percent.

I asked for a \$28 billion tax reduction; unfortunately, Congress gave about a \$10 billion tax reduction. I asked for an increase in the personal exemption from \$750 to \$1,000; Congress refused to act. And just the other day, I was talking to some employees in a plant in the Washington, D.C., area, and one of the questions that they asked me: What about tax reduction at the Federal level? I said, "How many children do you have?" He said three. If you took the tax reduction proposal that I recommended—an increase of the personal exemption from \$750 to \$1,000—it would mean that that individual with three children, a wife, and himself, would get a \$1,250 additional tax exemption in his Federal income tax return. That's understandable, that's equitable, and it's right. And we are going to submit it to the Congress again in January of 1977.

But in addition, I asked for tax incentives to increase business investment in high unemployment areas. Again Congress refused.

Many of you know that I sent back to the Congress 59 bills with a veto stamp on them. Congress has supported 43 of those 59 vetoes, and as a result we saved \$9 billion in expenditures from the Federal budget. If Mr. Carter's friends in Congress had been more interested in saving money than spending it, we could have saved an additional \$16 billion.

Mr. Carter calls our tax system a disgrace to the human race. If that's true, then it's a disgrace to the Democratic majorities in the Congress who have controlled both the House and the Senate, written every tax law and every tax loop-hole for the last 22 years. That's where the blame belongs.

One day Mr. Carter proposes doing away with tax deductions for every home mortgage interest payment or taxing church properties other than church buildings; the next day he says that's not what he meant. One day Mr. Carter talks about balancing the Federal budget and fighting inflation; the next day he turns around and talks about new programs that would cost at least \$100 billion each year. We've seen Mr. Carter go from labor halls and blast away at businessmen for paying less than their share of Federal taxes. He says their burden should be increased. Then he goes to Club 21 in Manhattan and tells businessmen, "Don't worry, we won't hurt you." Now, you can't have it both ways.

Let me give you a little advice. If I were a businessman and Jimmy Carter were President, I'd be very, very worried. If I were concerned about inflation and Jimmy Carter were President, I'd be extremely worried. If I were concerned about bringing unemployment down without spending billions and billions on dead-end, Humphrey-Hawkins jobs and Jimmy Carter was President, I would be extremely worried.

The unemployment figures for September came out just this morning. They were announced in Washington as they are every month. Unemployment dropped nationally by a tenth of a percent. We're moving in the right direction, but not with makework jobs at the taxpayer's expense. We're moving in the right direction toward full employment by stimulating the private sector of our economy—where five out of the six jobs exist in America—and that's the right approach, and that's the Ford administration's attack on the problems of unemployment.

And let me talk very seriously for just a minute. The recent crisis in Great Britain tells us all we need to know about the dangers of too much government, too much spending on borrowed money. The British pound has sunk to its lowest level in the history of that great country. Inflation has been running

at about 25 percent. Government spending in Great Britain now accounts for 60 percent of the entire British economy.

Listen to what Prime Minister Jim Callaghan of Great Britain, a very courageous man in a serious crisis, said just last week—and he made this comment in speaking to his Labor Party convention, a party that has played a very important role in helping to create the problem. But here is what Jim Callaghan said, speaking to his own party convention: “We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting Government spending. I will tell you in all candor that option no longer exists and that insofar as it ever did exist, it worked by injecting inflation into the economy, and each time that has happened the average level of unemployment has risen. Higher inflation, followed by higher unemployment—that is the history of the past 20 years in Great Britain.” Then the Prime Minister continued, and again I quote, “Each time we did this the twin evils of unemployment and inflation have hit hardest those least able to stand them—the poor, the old, the sick.”

My friends, that is really what this campaign is all about in America. Mr. Carter and his party offer more promises, more programs, more spending, more taxes, more inflation. Jerry Ford says that government is already too large, too powerful, too costly, too remote, and too deeply involved in your personal lives.

I want to make your Government your capable servant, not your meddling master. That’s why I am a candidate for the Presidency in 1976. I ask for your help, your support, and your vote on November 2.

Thank you very, very much. And I’ll be delighted to respond to your questions.

QUESTIONS

Q. Mr. President, the preservation of the Hollywood-Burbank Airport is extremely important to people in this area insofar as jobs and the transportation alternatives are concerned. We understand that your administration is involved very deeply in trying to help us to save that airport in providing the funds and providing the resolution of the problem which is required, an environmental impact assessment.

All I want to do is to personally, on behalf of the people in the San Fernando Valley, and my district, thank you for your involvement and your support. We understand Elliot Richardson is involved, among others.

Thank you.

THE PRESIDENT. Thank you very much. I am very personally conscious of the importance of that airport. I have flown in there a few times over the years when I have had the privilege of visiting California. The Secretary of Commerce, the head of the FEA [FAA], and the Secretary of Transportation are all very cognizant not only of the importance of that airport to this area but to the State. And I can assure you that they will make a maximum effort to come to the right decision, which I hope, obviously, is one that will satisfy the needs of the people of this area.

Q. Mr. President, do you have a time frame established for returning to a balanced budget?

THE PRESIDENT. The answer—well, let me repeat the question in case some didn't hear.

The question is, do I have a timetable for returning to a balanced budget? The answer is categorically yes.

In the State of the Union Message that I gave to the Congress in January of this year, in the budget that I submitted to the Congress in January of this year, and the economic program that was likewise submitted, we pointed out that if we cut the rate of growth of Federal spending from 11 percent to 5½ percent, and if we gave the \$28-billion tax reduction that I proposed—which means that you would have, for every dollar you cut in Federal spending, you could have a dollar reduction in Federal taxes—we could have, by the budget that I submitted—or would submit, I should say, in January of 1978, a balanced budget.

Now we have run into a problem, but it's not insoluble. I recommended a budget for the current fiscal year of \$395 billion. The Congress has exceeded that by their resolution by approximately \$18 billion. That is more, obviously, than I think the Federal Government should spend.

But I believe with a new and better Congress—and I hope we get one—we can make some adjustments that, in my opinion, will make up for the extravagance of this past Congress. In other words, we have two more budget cycles where, I think, we can put the lid on, keep the spending under control, and still achieve our balanced budget that would be submitted in January of 1978.

Q. Mr. President, I would like to ask you what is your feeling on the taxation of church-owned property, not the church itself but on parochial schools?

THE PRESIDENT. Well, as I indicated in my remarks, Mr. Carter, in an interview that he gave to a magazine called *Liberty*—which is a magazine published by the Seventh Day Adventist faith—said that he was in favor of taxing all church property other than the church itself.

I categorically say that that is a wrong approach, because in effect, in many cases, you would be taxing your hospitals, your orphanages, and other such operations that churches undertake.

As far as tax provisions to give nonpublic schools an opportunity to get more financing from individuals who send their children to nonpublic schools, I have long advocated, endorsed, and supported, a change in the Internal Revenue legislation that would permit either a tax exemption or a tax deduction for those who, as a matter of choice, send their children to nonpublic schools.

I am a personal product of public schools—elementary, secondary, and higher education—except I went to Yale Law School, which is not a public institution. But from kindergarten through college, I was a product of public education. I believe in it. But I also believe—and believe very strongly—that the competition of nonpublic schools to public schools is good for education, the education of our children. And if you don't have that competition, I think the public schools would get in a monopoly situation. And I don't like monopolies, period.

So, I think we have to give some tax relief to those individuals who, as a matter of choice, want to send their children to nonpublic schools, whether they are Lutheran or Catholic or Christian Science or Jewish or whatever the sponsorship. And the best way to do it is to give some tax relief to those who make that choice.

Q. Mr. President, I am a registered Democrat.

THE PRESIDENT. Nice to see you, sir. [*Laughter*]

Q. You're going to see more than just myself. The question I wanted to ask, in the interim, while you are trying to get the Federal Government out of our business here locally, what can you do to help us cut the redtape? And what is happening regarding the redtape for revenue sharing matters and so forth?

THE PRESIDENT. Let me respond this way. When I became President on August 9, 1974, one of the first things I found was that the previous administration had projected for that then current fiscal year, an increase of 40,000 Government employees, Federal employees. I made an order almost the first day I took office: We're not going to continue that authorization for an increase of some 40,000. We were able to make it stick and, actually, in the 2 years that I've been President, we have reduced Federal civilian employment by 11,000. I think that's some progress.

Now in addition, we have in the last 12 months, on an order by me to the Office of Management and Budget, reduced the so-called paperwork, forms, et cetera, by 12 percent in the Federal establishment. And let me give you one specific illustration. In 1974, Congress passed what was called the Community De-

velopment Act, which would replace the seven categorical programs for urban renewal, model cities, et cetera, and made it one single block grant approach.

And let me illustrate what that can do. Under the old program, for the applications to proceed from the city to the regional office to the Federal office, it took 31 months. Now, I am sure there are some city officials here who can confirm that was about the time it took. Under the present time, it takes 3 months. And furthermore, those applications under those old seven categorical grant programs—they were 1,800 pages. Today they are 25 pages.

The net result is we have reduced the processing time and we have reduced the paperwork from the point of view of city managers and others. And we are going to keep on that kind of pressure in order to make the Government more responsive and responsible.

Q. Mr. President, would your new administration be interested in and amenable to tax credit and tax incentives, maybe, to put small minority businessmen on a par with their majority counterparts?

THE PRESIDENT. Well, what we have recommended is that there be tax incentives for any businessman who either moves the plant into the inner city or expands and modernizes his business within the inner city where unemployment is 7 percent or higher, if I recall the precise figure.

That, to me, would be an incentive and a very substantial part to the black businessman who wants to give jobs in the inner city to the unemployed, particularly the disadvantaged and the blacks, within a city.

I would have to look into whether it is constitutional to give a tax incentive to a particular race or color or religion under the Constitution. I just would have to give that some thought, but I do believe that the program we've recommended would be a stimulant in the direction in which you think it would be wise.

I would have to, in all honesty—rather than give an answer that I might have to change a week from now—take the thoughtful and, I think, responsible course. And I will let you know. But I know that the program we have proposed would be very helpful to the inner city where unemployment among the youth, particularly the minority groups, is much too high. If we could have that kind of a program, I think it would be a substantial solution to the problem that you have raised.

Q. Mr. President, I am with Hydraulic Research Textron in Valencia, and my question deals with your debate strategy. Mr. Carter keeps evading the questions asked by the panel that probe his weaknesses. Why aren't you forcing him to answer the questions directly?

THE PRESIDENT. Well, there is no question that in—for example, his 3-minute

discussion on foreign policy raised a lot of rhetorical partisan issues and in the 2 minutes of rebuttal, if you are going to make a forthright, accurate answer and you don't have time to answer all of the, I think, purely partisan charges that he makes.

But then we do find, even when you say he is totally inaccurate—as I said that he had advocated a \$15-billion reduction in the defense budget—he denied it, and if you read the Los Angeles Times this morning, he had made that statement in an interview with a Los Angeles Times reporter.

I think it was in the late winter or early spring of 1975. It was quoted in the paper. It was reaffirmed by the reporter that talked to him. I happen to believe the newspaper account of what he said rather than a denial, which I don't believe was the fact. So, even when you pin him down he varies, I think, from an accurate answer. I could have used stronger language, but—[*laughter*]—

Q. Mr. President, I am commissioner of airports of LAX [Los Angeles International Airport] and several others. In August of this year, Secretary Coleman made a recommendation to OMB [Office of Management and Budget] relative to noise abatement programs as it affects retrofit and the phasing out of the aircraft. Are you going to be prepared to give us an answer prior to November 2 as to what we can expect on noise abatement in LAX?

THE PRESIDENT. I have spent a great deal of time with Secretary Coleman in the last month on just that question, and I have also spent a good bit of time with others within the administration. And let me give you some idea of what the problem is, as well as what the solution might be.

And I don't want to preempt precisely what we are going to do, but the problem is that there are about 25 airports in this country where there is a noise problem. It involves roughly 6 million people who live adjacent to or within the area of those airports. The noise standards that were established by FAA [Federal Aviation Administration], as I recall about 2 years ago, required that all new aircraft that are going to use those, or any airports in this country, must meet those standards.

Under that kind of a program, as I recall, it will take 8 to 10 years to go through the whole cycle of abandoning those present planes that don't meet the standard and replacing them with planes that do meet the standard. I am very concerned that we have not been tougher in this regard.

Now, when you say that, in effect you are saying that today we're going to impose on all aircraft who use our many, many airports in this country the same standards, the new ones as well as those that are unable to meet the problem, which, if you did it today, would force the aircraft industry to replace,

as I recall, roughly two-thirds of their present fleet.

Now, the commercial airliners say that under their restrictions imposed on their ticket cost they cannot go into a program that permits them immediately to buy the aircraft that would meet this problem. They say that the CAB [Civil Aeronautics Board] won't give them enough price relief.

So, the answer is one of two approaches—either we get the regulatory reform that I recommended to the Congress, which would force the CAB to permit certain prime adjustments in their fares without going through a lengthy process before the CAB. And if they got that relief, if Congress stood up and passed the regulatory reform that I recommended, then the CAB and the industry itself would have the capability of meeting the problems that they face in financing the procurement of the two-thirds of the planes that don't meet the noise standards.

Now, the other option. At the present time, there is an 8-percent Federal tax on commercial plane tickets. That money goes into an aircraft, into an airport trust fund. That trust fund presently has a surplus.

There is a suggestion that that be reduced from 8 to 6 percent, and that a financing plan be worked out that would take that 2 percent and permit the airlines to immediately be a beneficiary of that so that they could buy more modern aircraft more quickly. It is very complicated—but it is a solution.

So, when you come down to it, we are in the process of making a final decision as to whether we should—well, the alternatives are Congress must pass the regulatory reform that gives the industry itself an opportunity to meet the problem or, if Congress will sit on its hands, as it has in other regulatory reform programs, if they won't take the one option, then I think the other option is a necessity because I am not going to tolerate an 8- to 10-year program of trying to solve the noise problem at airports, the 26—Los Angeles, La Guardia, Kennedy, O'Hare, and the others.

It's not right to the 6 million people when we have a better answer, either regulatory reform on the one hand or a financing program as I have suggested on the other.

Q. Mr. President, I am a reservist with the Strategic Air Command out at Marsh Field. I can tell you, sir, those B-52's will not go another 10 years. Are we going to get the B-1?

THE PRESIDENT. I made a speech on that point yesterday out at the Rockwell plant,¹ and I made precisely the point you are talking about. The B-52's today

¹ See Item 858.

are an integral part of our three-pronged strategic program for the defense of this country.

We need high-performance, long-range aircraft. We need our land-based ballistic missile systems. We need our submarine-launched ballistic missile systems.

We are improving our land-based programs with the MARK-III, and we are moving into the MX missile development. We are building the Trident submarine to replace the present nuclear-powered ballistic missile submarine. But we cannot permit the 25-year-old B-52's to continue for another 10 or 15 years.

As I said yesterday, I'm not going to permit pilots to fly in aircraft which is older than the pilots themselves. And that is what you do if you go on with the B-52. The B-1 has met every test, not only as to performance but as to cost. And I am very much opposed to those who want to cancel it or delay it and, unfortunately, Mr. Carter, in the form that he espouses, either wants to delay it or cancel it.

I think we owe something to the young people who are called upon to fly those aircraft to give them the best equipment that this country can buy.

Q. Mr. President, by the way, I support you all the way in those CAB regulations. We fill the gallies that go in your commercial airlines.

I personally am more concerned about the minority expression in the Eastern European countries over the Communist rule than I am in what's going on in Rhodesia and South Africa. Can we get Kissinger to go over there and start doing work along the lines which you are talking about here today?

THE PRESIDENT. The question raised is about the status of Eastern European countries.

This administration does not concede that there should be Soviet domination of the Eastern European countries. It has been alleged by some that I was not as precise as I should have been the other day. [*Laughter*]

But let me explain what I really meant. I was in Poland a year ago, and I had the opportunity to talk with a number of citizens of Poland, and believe me, they are courageous, they are strong people. They don't believe that they are going to be forever dominated—if they are—by the Soviet Union. They believe in the independence of that great country, and so do I. And we are going to make certain, to the best of our ability, that any allegation of domination is not a fact.

I went to Poland, I went to Yugoslavia, I went to Romania to emphasize that the United States of America believes in freedom, independence of all Eastern European countries. And that is what I believe in and that is what this Government stands for.

Q. On your desk is a piece of legislation by Congressman Corman dealing with the extending of the Federal unemployment insurance program. Question: Are you going to sign it or veto it?

THE PRESIDENT. I have always felt, Pete—and I am sure you would agree from your long experience in Government—you should read the fine print, particularly anything coming from this Congress. [*Laughter*]

I think this administration's record is one of compassion in this area. When we were faced with the worst recession in 40 years, I not only recommended but signed legislation to extend the unemployment compensation from 26 weeks to 67 weeks and to broaden the qualifications so that more people who had not previously been covered would be covered.

Now, as long as we have the problem we have—even though it is getting less severe—this administration will show the same compassion, and if it is necessary to sign that legislation, with the brief description you gave of it—[*laughter*]—

Q. I didn't want to give you the wrong impression that I am recommending a veto, Mr. President. [*Laughter*]

THE PRESIDENT. Well, I will repeat what I said. I am going to take a good look at it because that fine print sometimes does not always reflect what the headlines show in the newspapers. So, when it comes to the desk we will take a good look, and if we think it is needed, we will do it. If not, we will take other action.

Thank you all very, very much.

NOTE: The President spoke at 9:05 a.m. at a breakfast meeting in the Roof Garden at the Sheraton Universal Hotel. In his opening remarks, he referred

to Matt Lynch, president of the San Fernando Valley Business and Professional Association.

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Remarks at a President Ford Committee Reception in Los Angeles. *October 8, 1976*

Thank you very, very much, Mike, Congressman Carlos Moorhead, distinguished public officials, ladies and gentlemen:

Gee, it's just wonderful to be here. Betty and I enjoyed being with you last night. We both want to thank you for your support.

I would like to take just a few minutes, if I might, to talk about some of the things that are an issue in this campaign and to set the record straight on several issues that involve the future security of this country, both domestically and internationally.

Number one, each and every one of us believe in a strong America; that means a strong national defense program. Mr. Carter, about a year ago, called for a \$15 billion reduction in the defense program. You can't keep America strong with that kind of cutting of the Army, the Navy, the Air Force, and Marines.

Mr. Carter, waffling as he usually does, has said that he would either cancel or delay the production of the B-1 bomber. At the present time, we are flying the B-52's, a great aircraft, but they're about 20 years old. By the time the B-1 is built and deployed, the B-52's will be anywhere from 30 to 35 years old. I don't believe that we should send young American pilots flying an aircraft that's older than they are.

The B-1 is a plan that will help us maintain the peace and protect our national security. It's an integral, important part of our overall defense program, and Mr. Carter is very wrong when he wants to either cancel or delay it. And President Ford believes it must be produced and deployed for our national security.

A great President of the United States, Teddy Roosevelt, once said, "Speak softly and carry a big stick." Mr. Carter speaks loudly and carries a flyswatter. [Laughter]

But if we're going to keep America strong at home, we must spend less, have lower deficits and lower taxes so that the free enterprise, the great engine of a strong America, will have a chance. Mr. Carter has called for tax increases for all taxpayers from the median to the middle-income taxpayer. That means he wants to increase taxes for all taxpayers from \$14,000 up. That's wrong. I believe that we must reduce taxes for the middle-income taxpayers, and we will.

I recommended in January of this year that the personal exemption should be increased from \$750 to \$1,000 to help the shortchanged middle-income taxpayers. And that's what we're going to do with a new Congress.

The best tax reform I know is tax reduction. Let me say that the Ford administration believes that we must cut spending and we must cut taxes, and that's what we're going to do in the next 4 years.

Mr. Carter talks about the bad tax program that we have at the present time. Let me remind you and remind him that if our tax legislation is bad today, for the last 22 years the Democrats controlled the Congress, and they have written every tax bill that's on the law today.

So, I say to you if we're going to be strong at home, have a healthy economy,

if we are going to be strong so that we can maintain the peace that we have, we have to beat Jimmy Carter and elect Jerry Ford.

I'm proud to stand before you, as well as any other audience in this country today, and say that I am the first President in 20 years who can say as he seeks election that America is at peace, that not a single young American is fighting or dying on foreign soil. That's a record that we're going to keep for the next 4 years.

One final word: This is a wonderful group. We have got a real mission to perform. Before the convention in Kansas City, we were 30-some points behind. We have been closing that gap rapidly. We have the momentum because we have the right program. We tell the American people the truth. We don't make a mistake one day and apologize for it the next. The United States believes that the policies of this administration—peace with freedom, a strong economy predicated on the private enterprise system—is the way to keep America, not only for ourselves but, more importantly, for our children and our grandchildren.

I go before you and the American people, proud of what we have done in the last 2 years and optimistic about what opportunities we have for progress in the next 4 years. We may still be behind by a narrow margin, but with your help and with the right programs and the fact that Mr. Carter makes mistake after mistake, we are going to win that election for the American people November 2.

Thank you very much.

NOTE: The President spoke at 10:22 a.m. in the Studio Suite at the Sheraton Universal Hotel. In his opening remarks, he referred to Mike Antonovich,

cochairman of the Los Angeles County President Ford Committee.

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Remarks at the "Days of the Verdugos" Festival in Glendale, California. *October 8, 1976*

Thank you very, very much, Mayor Haverkamp, Congressman Carlos Moorhead and your former Congressman and my old and very dear friend, Allen Smith, Jerry Keithley, distinguished guests, ladies and gentlemen:

It's great to be in Glendale, first, and it is wonderful to be here on the opening of the Verdugos Festival, and I thank you for inviting me. I can see why you like to relive the romantic days of the Spanish land grants. In those days, the

government gave its citizens property. Nowadays, government just tries to take it away from you, and we are going to stop it.

In the last few days I have had the privilege and honor of visiting San Francisco, Los Angeles, Beverly Hills, Universal City, and now Glendale. The weather gets better, and the welcome is warmer, and I thank you very, very much. But with this kind of welcome in Glendale, I know we are going to win California on November 2.

One of the most important issues in this campaign—especially here in California—is taxes. The people of California have already heard all four sides of the tax question. Unfortunately, three of them came from Jimmy Carter. Let me give you some examples.

First, back in February, Mr. Carter said he wanted to eliminate the home mortgage interest deduction on your Federal income tax. That was one of those loopholes he keeps talking about. Not long after that he said maybe he would not eliminate the deduction. As it stands now nobody is sure, least of all Mr. Carter.

Second, a few weeks ago Mr. Carter suggested he would raise income taxes for everyone over the median-income level, about \$14,000 per year. Now he says that isn't what he meant. He says he has not studied the subject at all, but he will let us know what he decides after he has been in office for a few weeks. I say that is too late, and I say that very sincerely and very specifically. I say we should know—215 million Americans—before election what Mr. Carter plans to do about your taxes.

Third, Mr. Carter's platform calls for between \$100 billion and \$200 billion in new Federal spending. Yet, he talks about balancing the budget without raising anybody's taxes. He can't have it both ways. You know it, and I know it. He can't talk about compassion and not have compassion for the hard-working, middle-income taxpayers in this country.

The American people have a big heart, but too many politicians mistake that big heart for a blank check. It is not an act of compassion to rob older citizens of their fixed income by feeding inflation with more Federal spending. It is not an act of compassion to prevent a young couple from buying a home because Federal borrowing for deficit spending drives up interest rates. It is not an act of compassion to put coming generations of Americans deeply in debt and mortgage their futures before they are born.

You work hard for every dollar that you earn. Your tax dollars should work just as hard for you, and that is the way it will be under a Ford administration.

You know who pays for every campaign promise. You know when the bills come due you get stuck with them.

In the last 2 years I vetoed 59 extravagant spending bills sent down to the Oval Office by an irresponsible Congress. My vetoes saved \$9 billion. If Mr. Carter's friends in Congress had been as interested in saving money as I am, my vetoes could have saved \$16 billion more. We hope for a better Congress with Carlos Moorhead and with Dr. Hayakawa representing you in the United States Senate.

My idea of tax reform is tax reduction—cut spending, cut taxes, keep more of your own money. For 10 years now Federal spending has grown at an alarming rate thanks to an overtaxing, overspending, overbearing Congress. The budget that I submitted to the Congress last January cut that rate of growth by one-half.

I asked for a \$28 billion tax reduction and a \$28 billion cut in Federal spending—a dollar of tax reduction for a dollar of a reduction in Federal spending. I asked for an increase in your personal exemption from \$750 to \$1,000. That's tax relief for the middle-income taxpayer of this country. They have been short-changed by the kind of a Congress we have had for the last 22 years, and we have got to change that Congress so the middle-income taxpayer will get the kind of a tax reduction that they deserve. I asked for tax incentives to increase business investment in high employment areas. Congress refused.

Mr. Carter calls our tax system—he says it is a disgrace to the human race. If that's true, then it is a disgrace to the Democratic majorities who have controlled both the House and the Senate, written every tax law and every tax loophole for the past 22 years. You know where to put the blame.

The direction America takes in the next 4 years will be determined by the decision that you make on November 2. And let me use an illustration, if I might.

The crisis in Great Britain, a long and wonderful ally of the United States, tells us all we need to know about the danger of too much government, too much spending on borrowed money. The British pound, their currency, has sunk to its lowest level in alltime history. Inflation in Great Britain has been running at over 25 percent. Government spending now accounts for 60 percent of the entire British economy.

Listen to what Prime Minister Jim Callaghan of Great Britain, a courageous man who represents the head of that Government—he said, and I quote, "We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting Government spending. I tell you in all candor," Prime Minister Callaghan said, "that that option no longer exists

and that insofar as it ever did exist, it worked by injecting inflation into our economy.”

He went on to say, “And each time that that has happened, the average level of unemployment has risen. Higher inflation, followed by higher unemployment, that is the history of the last 20 years.”

And then the Prime Minister went on with another observation that I think is so pertinent in this political campaign. He said, “Each time we did this the twin evils of unemployment and inflation have hit hardest those least able to stand them—the poor, the old, and the sick.” My friends, this is really what this campaign is all about.

Mr. Carter and his party platform offer more promises, more programs, more spending, more taxes, more inflation, and more unemployment, and we are not going to let that happen on November 2.

The unemployment figures for September came out this morning in Washington, D.C. Unemployment dropped by a tenth of a percent. We are moving in the right direction, but not with make-work jobs at the taxpayer's expense. We are moving in the right direction toward full employment by stimulating the private economy where five out of the six jobs exist in America.

Let me make one other additional comment. I have been talking about how we can strengthen our economy here at home. But it is equally important that we strengthen our capability to meet the challenge of any aggressors abroad.

How many of you remember a statement made by a former great President, Teddy Roosevelt, who said, “Speak softly and carry a big stick”? Mr. Carter speaks loudly and wants to carry a flyswatter. Mr. Carter wants to cancel or cut back the B-1. He wants to keep our pilots flying the B-52's that are 20 to 25 years old today. I don't believe we should send a young pilot in a plane that is older than he is.

The best way I know to keep the peace is to be strong at home with an economy that meets the challenges that we must face, with a military capability that will meet every challenge from any source around the world. And you can't do that with the kind of a \$15 billion cut in defense spending that Jimmy Carter wants to make. You'll weaken us in our challenges from those countries behind the Iron Curtain or the Bamboo Curtain.

But a military program that I stand for is one of strength so that we can negotiate with our adversaries from a position of strength. Don't buy the weak military program in this critical period that Mr. Carter wants to foist upon the American people. It is wrong for America, and don't stand for it.

Let me conclude by saying that Jerry Ford says that government is already

too large, too powerful, too costly, too remote, and too deeply involved in your daily lives. I want to make government your capable servant but not your meddling master. That is why I am a candidate for the Presidency on November 2.

As Glendale celebrates its proud past, I ask you to think about your children's future and your country's future. I ask for your help on that fateful day of November 2. I ask for your support, your vote.

And let me conclude by saying: Jerry Ford hasn't and won't let you down. Thank you very much.

NOTE: The President spoke at 12:05 p.m. at the Glendale City Hall. In his opening remarks, he referred to Mayor Warren Havercamp and Jerry Keithley, city manager of Glendale.

The "Days of the Verdugos" is a festival held

every October to celebrate the Spanish heritage of the Verdugo Valley.

As printed above, this item follows the text of the White House press release.

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Remarks and a Question-and-Answer Session With Reporters in Glendale, California. *October 8, 1976*

LET ME make an observation or comment. Perhaps I could have been more precise in what I said concerning Soviet domination of Poland.¹ I, fortunately, had the opportunity of being in Poland in 1975. No Democratic President has ever visited Poland while in office, so I had the opportunity to see the Polish people, to get their reaction from an American President. And I was there for the purpose of indicating to the thousands and thousands of Polish people that the United States believes in their desire for freedom and independence. I recognize that there are Polish—or in Poland there are Soviet divisions, but anybody who has looked straight in the eye at thousands of fine Polish people knows that their desire for liberty and freedom is just as great as the desire for liberty and freedom of the American people.

It is tragic that the Soviet Union does have some divisions in Poland. It is a tragedy that I hope in the future the Poles will be able to find another solution because the unquenchable spirit of the Polish people is something that I admire and respect.

I join the Polish Americans in this country who know that their ancestral home is the home that where for centuries there was freedom, and we want freedom for their relatives and their loved ones and their people in the land that they came from.

¹ See item 854, page 2408.

President Ford does not believe that the Polish people over the long run—whether they are in Poland or whether they are Polish Americans here—will ever condone domination by any foreign force.

REPORTER. Mr. President, today, in virtually all of Eastern Europe, does the Soviet Union have military dominance?

THE PRESIDENT. As I said the other night the Soviet Union does not have domination of Yugoslavia. The Soviet Union does not militarily dominate Romania. I was perhaps not as precise as I should have been. I recognize there are Soviet divisions in Poland. I regret it. And I am very proud of the courageous attitude of the Polish people who want freedom, who have the aspirations for liberty, just as we do in the United States. And I fully support their hopes and aspirations.

There are several other countries in Eastern Europe that tragically have Soviet military forces in their country. That is not what President Ford wants, and that is not what the American people want.

Q. Mr. President, has this caused you any political trouble?

THE PRESIDENT. I have no way of knowing. I firmly believe that the Polish Americans in this country know of my strong support over the years, not just recently, for the Captive Nations resolution. It was enacted frequently in the Congress of the United States, and I always supported it.

So, any Polish American or any other ethnic American who knows of President Ford's record of full support for the Captive Nations resolution knows where I stand.

Q. Did you come out to put an end to this misunderstanding?

THE PRESIDENT. I hope and trust that my observations this morning will put an end to a misunderstanding. It was a misunderstanding, and I hope and trust that my very deep and firm convictions have now been said again, as they have over the years.

NOTE: The President spoke at 1:05 p.m. at Glendale City Hall.

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Remarks in Lawton, Oklahoma. *October 8, 1976*

Thank you very, very much, Senator Dewey Bartlett, Senator Henry Bellmon, Senator Paul Laxalt, my good friend Tom Steed, my good friend John Jarman, Mayor Gilley, distinguished guests on the podium, ladies and gentlemen:

It's great to be back in Oklahoma, and thank you very, very much. Senator

Bellmon and Senator Bartlett tell me you have a pretty good football team in Oklahoma this year. My alma mater, the University of Michigan, learned it the hard way last year. I told them that the University of Michigan was not bad this year. I hope they're good. Dewey, maybe I can win that 2 bucks back again.

Tomorrow, I'm going to have the honor of attending the Texas-Oklahoma football game. Anyone here know who's going to win that game tomorrow? I just thought I would ask. As I said, we're stopping down at the Texas State Fair tomorrow, and I may get a question about it. As President, I have to be impartial about the game. I even have to change sides during the half. Of course, if my opponent were there, I am sure he would find some way to sit on both sides at the same time.

Now, let me give you some straight talk about taxes and national defense. You love America, as I do. You want an America strong and decent here at home. You want an America strong and at peace, with freedom, throughout the world. This country has restored trust in the White House in the last 2 years. This country has restored peace abroad. We should be proud of the fact that not a single young American is fighting and dying on any foreign soil tonight. And we're going to keep it that way. You should be proud that we have turned our economy around, that America sees brighter stars, skies, like you see in Oklahoma right here today. We're proud of that progress.

Now, let me give you a little straight talk about taxes, because if I could put a tax on empty rhetoric in this political year, we would have the national debt paid off in 1 week. When we talk about taxes, we're talking more than just about money. Every tax dollar represents your time, your energy, your hard work. Those tax dollars ought to work just as hard for you as you have worked for them.

Mr. Carter's platform calls for new Government programs that would cost between \$100 billion and \$200 billion each year. He never puts a price tag on those programs. He just says he will soak the rich, close the loopholes, and everything will be just fine.

Let me say this: If we put a 100 percent tax on all personal income over \$50,000 in America, it would produce less than \$9 billion a year. Where is the other \$191 billion going to come from? Two choices: One, Mr. Carter can have a \$191 billion deficit; two, he can do what he said he would do and raise taxes on every American family above the median income of \$14,000, and we don't want that. I say to you there's a better way: Cut spending, cut taxes, keep more of your own money. To me, tax reform means tax reduction.

For 10 years now your Federal Government has been spending—spending

has grown at an alarming rate, thanks to an overtaxing, overspending, overbearing Congress. The budget that I submitted to the Congress this year cut that rate of growth by one-half. I asked for a \$28-billion tax cut. I asked for a \$28-billion restraint on the growth of Federal spending so we could have an honest tax reduction. For every dollar we cut in spending, we could cut a dollar in taxes. Unfortunately, the Congress refused to make those reductions in spending. They went \$18 billion more in the spending than I recommended. And the net result is they only cut the taxes of the American people \$10 billion this year.

In January of next year, we're going to do a lot better with a much better Congress. I will tell you the kinds of tax reductions I want. I asked for an increase in the personal exemption from \$750 to \$1,000 per person. That means that the middle-income taxpayer who has gotten short shrift, shortchanged by the Congress over the years will get the kind of tax reduction that the American people need and want. And that's what we stand for, and we're going to get it next year.

I asked for tax incentives to increase business investment in high unemployment areas. Congress refused. I sent back to the Congress 59 bills that I vetoed. I saved you more than \$9 billion. If Mr. Carter's friends in the Congress had been more interested in saving rather than spending, we could have saved another \$16 billion.

But let me say those vetoes did a lot of good. I thank those in the Congress who supported me. I appreciate the support from people like Henry Bellmon, Dewey Bartlett, John Jarman, Tom Steed. Those are the kind of people that have stood with you and stood with me in these tough decisions to save your hard-earned tax dollars.

But, let me say another word or two. One day Mr. Carter proposes doing away with tax deductions for home mortgage interest payments, for taxing church properties other than church buildings; the next day he says that wasn't what he really meant. One day Mr. Carter talks about balancing the Federal budget and fighting inflation; the next day he turns around and talks about new programs that would cost at least \$100 billion annually. We have seen Mr. Carter go from labor halls and blast away at businessmen for paying less than their share of taxes and say their burden should be increased. Then he goes to Wall Street in New York City, the 21 Club, and tells businessmen, "Don't worry, I didn't mean what I said." We have seen Mr. Carter call for cuts of \$15 billion in the defense budget, not once but twice—in Savannah, Georgia, March 15, 1975; in Beverly Hills, California, 5 days later. Then last Wednesday night we saw him deny it in San Francisco.

Mr. Carter can change his mind as often as he wants to—and he does it plenty of times—but he can't change the facts. He was wrong when he denied that he ever said we should slash, we should gut our defense budget by \$15 billion. The American people asked Mr. Carter what are they supposed to believe. Mr. Carter replies, don't worry, I will tell you what I plan to do after November 2.

But let's talk about national defense. You have got a great national park here just a few miles away. A great American President, Teddy Roosevelt, once said, "Speak softly and carry a big stick." Mr. Carter speaks loudly and carries a flyswatter.

He wants to cut \$15 billion out of your Army, your Navy, your Air Force, and Marine Corps. He wants to cancel or delay the B-1 bomber, which is aimed at replacing the B-52. The B-52's are about 20 years old, and by the time we phase in the B-1, they will be another 5 years older. But let me be very, very precise in this. President Ford doesn't believe in sending young pilots in planes in combat that are older than the pilots themselves. They deserve better than that from the American people.

Now, let me give you a little advice. If I were concerned about keeping America strong and Jimmy Carter were President, I would be worried sick. If I were concerned about inflation and high taxes and Jimmy Carter were President, I would be very, very worried. If I were concerned about bringing unemployment down without spending billions and billions on dead-end Humphrey-Hawkins jobs and Jimmy Carter were President, I would be very worried.

My friends, that is really what this campaign is all about. Mr. Carter and his platform offer more promises, more programs, more spending, more inflation, and more taxes. Jerry Ford says that government is already too large, too powerful, too costly, too remote, and too, too deeply involved in your lives. I want to make government your capable servant but not your meddling master. That's why I am a candidate for President in 1976.

Now let me make one final observation and comment. This country is strong, and this country is beautiful. But we ought to learn from past history. As we look around the world, one of our great and staunch allies over the years has been Great Britain. But Great Britain today is faced with the gravest financial crisis in its illustrious history.

Just earlier, a week ago, Prime Minister Callaghan had the courage to say as he spoke to his Labor Party Convention in England—and I quote him, because I think his words are what we ought to listen to. Prime Minister Callaghan had

this to say, and I quote: "Britain for too long has lived on borrowed time, borrowed money and borrowed ideas. We will fail if we think we can buy our way out of our present difficulties by printing confetti money and paying ourselves more than we earn." Those are strong words by a man who leads a country whose past has been great but whose crisis is serious.

Let me say from the bottom of my heart that this country is strong, but we have those who are running for the Presidency who want to borrow more money, spend more money, have higher taxes, and lead us down the road to more and more inflation.

Let me say very specifically to each and every one of you, as long as Jerry Ford is President of the United States, we will not have that kind of a government. We will have a strong government at home with less taxes, less inflation, less Federal spending, and we will have a government that's strong enough to preserve the peace and to maintain our deterrent forces and to look at each other and say we're proud of America.

I come before you as a President who wants to serve you for the next 4 years, and to come back to Oklahoma, to Lawton, and say I have kept my promises.

I want, I need your support. I won't let you down. Thank you very, very much.

NOTE: The President spoke at 6:40 p.m. at the Lawton Municipal Airport. In his opening remarks, he referred to Mayor Wayne Gilley of Lawton.

867

Remarks in Lawton, Oklahoma, Upon Signing a Proclamation for the Observance of Native American Awareness Week. *October 8, 1976*

BEFORE SIGNING the proclamation [4468], I would like to make some additional remarks. I would like to say a few words about a very important issue.

No State in the Union has more residents who are Native Americans than the great State of Oklahoma. No domestic matter has given me greater pride than my administration's record of turning about the discrimination and neglect that all Indians faced for so many years.

In January of 1975, I signed the Indian Self-Determination Act,¹ a magna carta for Indian people. Today, we recognize Indian tribal governments, including those in Oklahoma, as vital government organizations in their own right.

¹ For the President's remarks upon signing the act, see the 1975 volume, Item 10.

Just a week ago I signed the Indian Health Care Improvement Act,² which authorized significant improved resources for Indian health delivery care. I know you are very proud of the fine accredited hospital here in Lawton, but many Indian hospitals are not accredited. We must—and we will—bring them up to standards.

In a few minutes, I will sign a Presidential proclamation declaring October 10 to 16 as Native American Awareness Week. The administration's support for Indian programs is not just rhetoric. We back up our words with action.

Eight years ago, the Bureau of Indian Affairs—its budget was \$262 million. Today, it is \$777 million. The Indian health budget was \$113 million; today, \$425 million. Our manpower training budget for Indian people is four times bigger than it was only 4 years ago. The record of support for Indian programs and for the protection of Indian trust rights is clear and precise. America wants those policies to continue, and I can assure you that they will.

Let me say to the Oklahoma delegation and Senator Paul Laxalt here from Nevada, as well as the tribal leaders, and I am delighted to have the opportunity of participating with them in the signing of this proclamation. There are about one million American Indian citizens, and some may say this is a very small minority. I count American Indian people, however, not in numbers but in the honored place that they hold in our multicultural society and in the future of our Nation. The 215 million of us are keenly concerned with the one million. The welfare and the progress of native Americans is high on the agenda of the American conscience.

My administration is equally determined that history is going to continue to be changed, that the Indian shall no longer be lowest in poverty and slimmest in opportunity, and we are making those changes now.

I sign this proclamation as a signal of that determination and as an invitation to all of my fellow citizens to reaffirm that our first Americans are among America's most respected and honored citizens.

Thank you all very much.

NOTE: The President spoke at 8:10 p.m. in the Mediterranean Room at the Montego Bay Hotel.

² For the President's statement on signing the act, see Item 840.

868

Exchange With a Reporter on Arrival at Dallas, Texas.**October 9, 1976**

REPORTER. Mr. Carter said yesterday that he wants you to give the American public some more facts about that IRS report concerning your campaign funds in 1972. He says we need to know more about that.

THE PRESIDENT. Well, all of those were thoroughly investigated by the FBI, by the IRS, and by two committees of the Congress, and they gave me an absolute clean bill of health.

I suggest that people who throw stones shouldn't live in glass houses.

Thank you very much.

NOTE: The exchange began at 9:50 a.m. at Love Field.

869

Remarks at Opening Ceremonies for the Texas State Fair in Dallas. October 9, 1976

Thank you very, very much, Governor Briscoe, Mrs. Briscoe, Governor Connally and Mrs. Connally, Mayor Folsom, Wayne Gallagher, distinguished guests, ladies and gentlemen:

It's always great to be back in Texas and especially in Dallas, and I thank you.

I am deeply honored to have the privilege of opening your world-famous State Fair. John Connally has just given me a preview of the livestock barns. John is an expert on cattle, swine, and sheep, just like he is an expert on national security and government—from Austin to Washington, D.C.—and thank you very much, John.

There is a lot left to see, but I have learned one thing. When Texans talk about the fine things you produce in Texas, whether it's cattle or cotton, spaceships or sheep, pecans or petroleum, you're really not bragging, you're really just being modest. Even your peanuts taste better to me. [*Laughter*]

I'm told you produce some pretty good football teams. Good luck this afternoon. Nobody wants to stand or sit in the sun on a beautiful football Saturday in October and listen to a long Presidential address. I'll tell you what. When we have the Ford-Dole inauguration down in Washington next January, you all come.

Let me take just a minute to thank you for your Texas hospitality and heart-warming welcome. I wasn't surprised—I have been here before; it's always great. But it's wonderful to be among Americans who are just born friendly and hospitable.

Texans are born patriotic, also. I first got to know a great deal about Texans when I was, of all places, in the middle of the Pacific. In that war America's survival and the fate of freedom in the world were in the steady hands of great Texans and great Americans like Chester Nimitz ¹ and Dwight D. Eisenhower. The Texans that I knew personally on the ship which I served had the same high caliber of character. On our carrier, we not only had plenty of native Texans but a lot of men who trained here in the State of Texas and are probably Texans now. We did everything on that ship except fly the Lone Star battle flag.

When I first went to Congress, I learned the ropes from legislative giants like Mr. Sam Rayburn and Lyndon Johnson. I made good friends like George Mahon, George Bush, John Tower, and Tiger Teague, among others from your great State.

What always impressed me the most was the way Texans put their country above their political party when America's fundamental interests were at stake. I saw them time and again rally around the President, whoever he might be, when he was dealing in the high stakes of peace and war.

The corroboration and support that Speaker Sam Rayburn and Senator Lyndon Johnson gave to President Eisenhower when he was Commander in Chief became my example when President Johnson faced those same tough calls on foreign policy and national security. And although we had our differences, Lyndon Johnson never distorted the truth when discussing the tough issues affecting America's strength.

In the coming weeks and future years, I really hope that this bipartisan tradition of responsibility and unity beyond the water's edge can survive in American politics. It's an important part of our national strength, as Texans taught me.

You never heard a Texan tell the world our country is not strong anymore. You never heard a Texan proclaim that America is not respected anymore. You never heard a Texan allege that the American people have lost their pride in America's strength and its moral integrity.

It isn't only the "eyes of Texas" that are upon us. The eyes of the whole world are on the United States of America this year, not just for the Fourth of

¹ Commander in Chief of the U.S. Pacific Fleet 1941–45 and Chief of Naval Operations 1945–47.

July when we celebrated a glorious 200th anniversary, but also on November 2. We're on display as much as all the entries in this great Texas State Fair.

We have been the world champion of liberty and self-government for the last 200 years. We are proud of our trophies. We are proud of our material strength and even more of America's moral strength. We are respected for all of these and many other things. Let's get our third century off to a good start, scrapping over the little things, but standing together tall and strong on the big things that affect us at home and abroad—big things like peace through strength, peace with freedom. That's the spirit that made Texas great, that made America great. That's the spirit we can show the world in 1976.

Thank you very much.

NOTE: The President spoke at 12:37 p.m. at the Hall of State Building on the Texas State Fairgrounds. In his opening remarks, he referred to Governor Dolph Briscoe of Texas, Governor John B.

Connally of Texas 1963–69, Mayor Bob Folsom of Dallas, and Wayne H. Gallagher, executive vice president and general manager of the Texas State Fair.

870

Remarks in Dallas at a Luncheon Honoring the President.

October 9, 1976

Thank you very much, Wayne, Governor Briscoe, Governor Boren, Governor Connally, distinguished Members of the United States Senate, the academic world, and all you wonderful people from Texas as well as Oklahoma:

It's nice to come in an atmosphere where athletic contests really don't make much difference. You know, I always get in trouble when I go to one community or another.

I had the good fortune to play football for the University of Michigan, back a long, long time ago, back when the ball was round—[*laughter*]*—and of course, I have some prejudices when Michigan plays some of its traditional rivals.*

If I go to East Lansing, Michigan, where Michigan State is—boy, they give me a hard time. But I get the most difficult time when I go down to Columbus. You are familiar with that great rivalry between my alma mater and Ohio State. Woody Hayes, who is a very great and good friend of mine—he doesn't talk about Michigan. He just says, "that school up North." [*Laughter*]

So, it's great to be here on an occasion where I can relax and cheer for both sides and have an opportunity to meet all of you and to enjoy the hospitality

and the friendship of the people from Dallas, from Texas, and those from Oklahoma. It's just nice to be here.

Thank you very, very much.

NOTE: The President spoke at 1:45 p.m. in the Hall of Six Flags Room at the Hall of State Building on the Texas State Fairgrounds. In his opening remarks, he referred to Wayne H. Gallagher, executive vice president and general man-

ager of the Texas State Fair, Governors Dolph Briscoe of Texas, David Boren of Oklahoma, and John B. Connally of Texas 1963-69.

The luncheon was hosted by the Texas State Fair Board.

871

Remarks at a President Ford Committee Reception in Dallas. *October 9, 1976*

THANK YOU very, very much, Bill, and let me express from the bottom of my heart my gratitude and appreciation for all of you 1,500 to 2,000 wonderful Dallas County, Tarrant County, Texas workers for the Ford-Dole ticket. Thank you.

We arrived this morning, and let me say to all of the people of the Lone Star State that we have had, I think, one of the finest days in this campaign, one of the finest days in my 2 years and plus of the Presidency. I can't express my gratitude deeply enough. It has been a super day—the State Fair, a great football game, and then this great rally.

I would like to make three points, three points that I think are principal and crucial in this campaign: number one, trust; number two, the national security of the United States; and number three, taxes.

Some of you may have seen the debate last Wednesday. It was 90 minutes. I have in my hand here an eight-page document that shows that Jimmy Carter, in 90 minutes, made 14 distortions, misrepresentations, or inaccuracies. If my mathematics is right—don't some professor cross me up—[*laughter*]*—that is about one inaccuracy, distortion, misrepresentation, or untruth, one each six minutes—that is too darn many for a President of the United States.*

And he made a few others in the first debate, and let me remind you of one. The Governor says he is going to come in and reorganize the Federal Government. I think the Federal Government has to be tightened up to be more responsible and more responsible to the American citizens. But I don't think I would trust turning that job over to Jimmy Carter, based on his record in Georgia.

The record shows that in 4 years he was the Governor of the great State of Georgia, employees went up 25 percent, the cost of government went up over 50 percent. And when he left the State of Georgia, the bonded indebtedness was \$200 million more than when he came in. That's a lousy record. With that kind of a record, just imagine what he would do with the Federal Government.

Let's take one other totally inaccurate statement. I had said last Wednesday that he had advocated a \$15 billion reduction in the Defense Department. He denied it. The record shows that in a meeting in Savannah, Georgia, it shows that when he was interviewed in Los Angeles, California—on two occasions he said in print, quoted, that he had advocated a \$15 billion reduction in the Defense Department. That's a matter of fact, and his denial is a total untruth, period.

Now let's talk about what he wants to do to the Defense Department. He wants to reduce it \$15 billion. That was a year ago. He now wants to reduce it 9 to 7 or 7 to 5. I really don't think he understands what the Defense Department is all about, except he wants to either cancel or delay the B-1 bomber.

Let me just take that as an illustration to show how irresponsible his ideas are on what we need to protect the peace and to keep the United States number one. The B-1—it is a replacement for a B-52 bomber. The B-52's are about 20 years old. Before the B-1's come in in any sufficient number, it will take another 4 to 5 years.

Jimmy Carter wants to cancel or delay the B-1, which means that the young men—the pilots, the copilots, and the crew—if Jimmy Carter wins and he cancels the B-1, our young pilots and crews will be flying aircraft older than they are. That's not the way to run the Defense Department.

You can depend on this: Jerry Ford won't send an American pilot in combat in an aircraft older than he is. We want the most modern weapons. We want the best trained crews. We want the best leadership, and under our administration we have it, and we will keep it that way.

A \$5, a \$7 or a \$9 or \$15 billion cut in the Defense Department will gut our defense strength. We won't stand for it, and we're going to win on it.

Now let's take the third issue. This last January I recommended to the Congress of the United States that we ought to have a \$28 billion limitation reduction in the rate of growth of Federal spending, and in return we ought to have a \$28 billion tax cut. For every dollar that we save in spending we should have a dollar reduction in Federal taxes. Jimmy Carter, what does he want? He talks in platitudes, he talks in inconsistent positions, flip-flops one day from one position to another.

Let me say this very seriously: The best tax reform that I know is tax reduction for the American taxpayer.

The middle-income taxpayers in this country, that are the strength of America, are the people that have gotten shortchanged in the last 10 or 15 years in our tax legislation. They are the people that pay the taxes, obey the laws, give us the strength and the inspiration in this great country. They have been shortchanged, short shrift. The best way I know to give them the kind of a fair tax break is to increase the personal exemption from \$750 per person to \$1,000. That's what we ought to get, and that's what we will get, under a Ford administration.

Let me make one other observation. I think everybody in this great gathering this afternoon, if they look back over the great, great Presidents of the United States, they would say that Teddy Roosevelt was pretty high on the list—Teddy Roosevelt, one of the Rough Riders, one of the individuals who really did what he said he was going to do. Teddy Roosevelt made a tremendous comment that I think is very apropos to the circumstances today. Teddy Roosevelt said, "We should speak softly and carry a big stick." If you look at the record of Jimmy Carter, what he wants to do to our Defense Department, how he wants to weaken the national security of the United States in the next 10 years—Jimmy Carter, he wants to talk loud and carry a flyswatter. [*Laughter*]

In Kansas City I said that we would not concede a single State, we would not concede a single vote; we were going to campaign from the snowy banks of Minnesota to the sandy plains of Georgia. We are doing it. And when I see at this tremendous crowd, when I hear about the wonderful effort that you make in the Dallas area, when I see how enthusiastic you are, when I know of the record you have made in the past, let me say the momentum is with us. We are going to carry Texas and thank you very much.

NOTE: The President spoke at 5:55 p.m. at the Apparel Mart. In his remarks, he referred to William McKenzie, Dallas County Republican chairman.

872

Exchange With Reporters Following a President Ford Committee Reception in Dallas. *October 9, 1976*

REPORTER. Hi, Mr. President. What kind of day has it been for you?

THE PRESIDENT. It has been a tremendous day in Texas. I don't think we could have had a better day. The response from literally thousands and thousands of

people in Texas has been very, very encouraging—the State Fair, the football game, and the wonderful rally here. We are very, very encouraged about Texas, and we're delighted to be here.

Q. Mr. President, how do you assess your chances in Texas in November?

THE PRESIDENT. Well, we're an underdog, but I think we're going to surprise some people.

Real nice to see you all.

REPORTER. Thank you very much.

NOTE: The exchange began at 6:17 p.m. at the Apparel Mart.

873

Statement on Signing the Health Maintenance Organization Amendments of 1976. *October 9, 1976*

I AM pleased to sign into law H.R. 9019, the Health Maintenance Organization Amendments of 1976. This legislation, which extends the HMO program for 2 years beyond the current expiration date of September 1977, is designed to make HMO's more competitive with traditional health insurance programs and health delivery systems.

The original HMO act of 1973 authorized two major forms of Federal assistance to stimulate the development of HMO's:

- a program of grants, contracts, loans and loan guarantees; and
- a requirement that employers who offer health insurance to their employees also offer them the option of joining a federally qualified HMO.

Other requirements of the 1973 HMO act, however, discouraged participation in the Federal HMO development and slowed the expansion of this important health industry. These amendments correct those deficiencies and provide the foundation for a strong nationwide system of HMO's.

My administration is concerned with the following fundamental areas of medical and health care problems:

- the quality of medical care and rapidly rising costs;
- local shortages of medical personnel and services due largely to maldistribution of physicians and other health personnel; and
- the need to promote preventive medicine and maintain good health.

The HMO concept has demonstrated an ability to hold down rapidly rising medical costs while maintaining high quality standards, efficient utilization of medical personnel, and a focus on disease prevention and the maintenance of

good health. This effort is another example of how our pluralistic medical care system can adapt to the needs and demands of the nation's health consumers without massive Federal intervention.

Such careful restructuring of the delivery system, while maintaining the strength of the private sector, is one way to achieve a viable long-term solution to the rapidly rising costs of medical care.

We must strive to develop other creative private sector mechanisms to accomplish these goals so that America's strong private health care system will remain the best in the world.

NOTE: As enacted, H.R. 9019, approved October 8, 1976, is Public Law 94-460 (90 Stat. 1945).
The statement was released at Dallas, Tex.

874

Statement on Signing the Sea Grant Program Improvement Act of 1976. *October 10, 1976*

I AM signing H.R. 13035, the Sea Grant Program Improvement Act of 1976.

In its 10-year history, the National Sea Grant Program has played an appropriate role in developing and coordinating the resources of universities, laboratories, and other institutions in furthering the understanding, assessment, development, utilization, and conservation of our Nation's ocean and coastal resources. H.R. 13035 would extend the National Sea Grant Program and ensure that this worthwhile work continues.

Some provisions in H.R. 13035 are unnecessary. The proposed national projects and international cooperation assistance programs are new categorical programs authorizing activities that could more appropriately be carried out by other agencies that have the responsibility to address national marine-related needs and problems.

Provisions in the bill which provide for the establishment of the position of Director of the Sea Grant Program and five other supergrade positions outside the Government-wide quota and without regard to the competitive appointment provisions of the civil service system are also unwise.

The Sea Grant Program provides a valuable means for bringing the resources of colleges and universities to bear on the Nation's efforts to make more productive use of our ocean resources. I believe that this bill will allow us to strengthen those efforts.

I am, therefore, signing this bill into law.

NOTE: As enacted, H.R. 13035, approved October 8, 1976, is Public Law 94-461 (90 Stat. 1961).
The statement was released at Dallas, Tex.

875

Statement on Signing the Arts, Humanities, and Cultural Affairs Act of 1976. October 10, 1976

I AM pleased today to sign H.R. 12838 authorizing the National Foundation on the Arts and Humanities to continue and expand its work through 1980. The Arts, Humanities, and Cultural Affairs Act of 1976 reflects the continuing strong bipartisan support of the programs of the National Endowments for the Arts and for the Humanities.

I have supported the Foundation continuously, both as a Congressman and since I became President. The support of the arts and humanities provided by the Federal Government has permitted a marked increase in individual participation in, and support of, a wide range of cultural activities.

In striving to make America's third century the century of the individual, the Foundation should play a leadership role in improving the quality of life throughout the Nation. I take great pride in signing this legislation in reaffirmation of that strong commitment of my administration.

NOTE: As enacted, H.R. 12838, approved October 8, 1976, is Public Law 94-462 (90 Stat. 1971).
The statement was released at Dallas, Tex.

876

Statement on Signing the International Terrorism Prevention Bill. October 10, 1976

WITHIN the last few months, we have witnessed a new outbreak of international terrorism, some of which has been directed against persons who carry the important burdens of diplomacy. Last summer, we were grieved by the brutal murders of our Ambassador to Lebanon and his Economic Counsellor. We also have seen a series of acts of violence directed against diplomatic missions in the United States for which we have host-country responsibilities. These acts cannot and will not be tolerated in the United States, nor should they be tolerated anywhere in the world. Preventing or punishing such acts is a prime concern of this Government and one which I will pursue with all the force of this office.

Today, I am pleased to affix my signature to three documents which once again demonstrate the commitment of the United States to sustain its struggle against international terrorism. Through our efforts and with others in the United Nations, the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents, was adopted in 1972. A few years previously, we had supported the adoption, in the Organization of American States, of the Convention To Prevent and Punish the Acts of Terrorism Taking the Form of Crimes Against Persons and Related Extortion That Are of International Significance. The Senate gave its advice and consent to the ratification of both of these conventions, and implementing legislation was requested from the Congress which would enable us to discharge our obligations under them. I congratulate the Members of Congress whose prompt and effective efforts have made this bill available for my signature. The Act for the Prevention and Punishment of Crimes Against Internationally Protected Persons (H.R. 15552) will serve as a significant law enforcement tool for us to deal more effectively with the menace of terrorism and will assist us in discharging our important responsibilities under the two international conventions which I am today authorizing for ratification.

An important feature of this bill will be to give extra territorial effect to our law in order to enable us to punish those who commit offenses against internationally protected persons, wherever those offenses may occur. With this law we will, in many cases in the future, have an improved basis to request extradition and, if granted, to prosecute such criminal terrorists as those who murdered Ambassador Meloy and Economic Counsellor Waring.

I call upon all nations to join in this vital endeavor. I particularly urge those countries which have not become parties to these conventions to do so.

I hope that a new initiative against terrorism, as it affects innocent persons and disrupts the fabric of society, will be addressed at the current session of the United Nations General Assembly. The full force of world opinion and diplomatic action must be brought to bear on this threat to world peace and order.

I pledge our full support to any constructive proposals to combat terrorism. I am, therefore, happy to sign this act and these Instruments of Ratification as a reaffirmation of the commitment of the United States Government to bring an end to terrorism.

NOTE: As enacted, H.R. 15552, approved October 8, 1976, is Public Law 94-467 (90 Stat. 1997).
The statement was released at Dallas, Tex.



With West German Chancellor Helmut Schmidt, French President Valéry Giscard d'Estaing, and Canadian Prime Minister Pierre Elliott Trudeau at the International Summit Conference in Dorado Beach, Puerto Rico, June 27, 1976.



Above: With residents of Harper's Acres Retirement Home in Keene, New Hampshire, February 19, 1976.



Above: Greeting members of the Confederation of Indian Tribes while campaigning in Pendleton, Oregon, May 23, 1976.



Above: Dedication of the Lyndon Baines Johnson Memorial Grove, in Lady Bird Johnson Park, April 6, 1976.



Above: Greeting ethnic leaders attending the Conference on Ethnicity and Neighborhood Revitalization, in the Rose Garden at the White House, June 2, 1976.



Above: Welcoming King Juan Carlos I and Queen Sophia of Spain on the South Lawn at the White House, June 2, 1976.

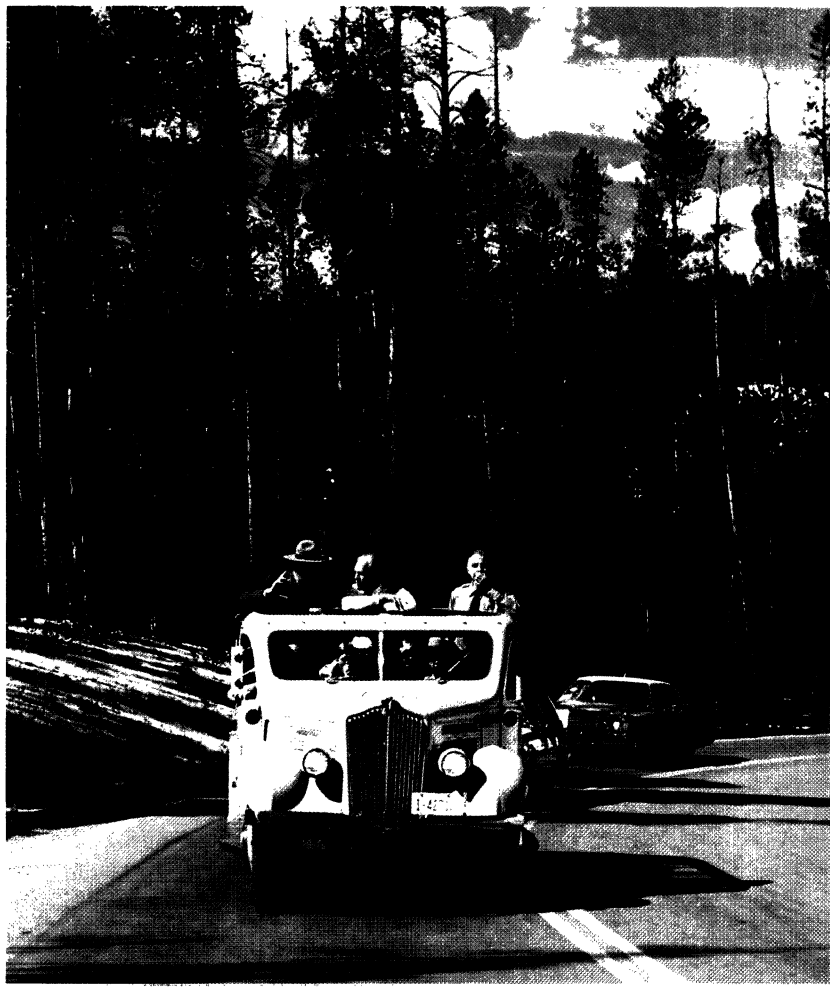
Below: With Secretary of State Henry A. Kissinger in the Oval Office, July 24, 1976.

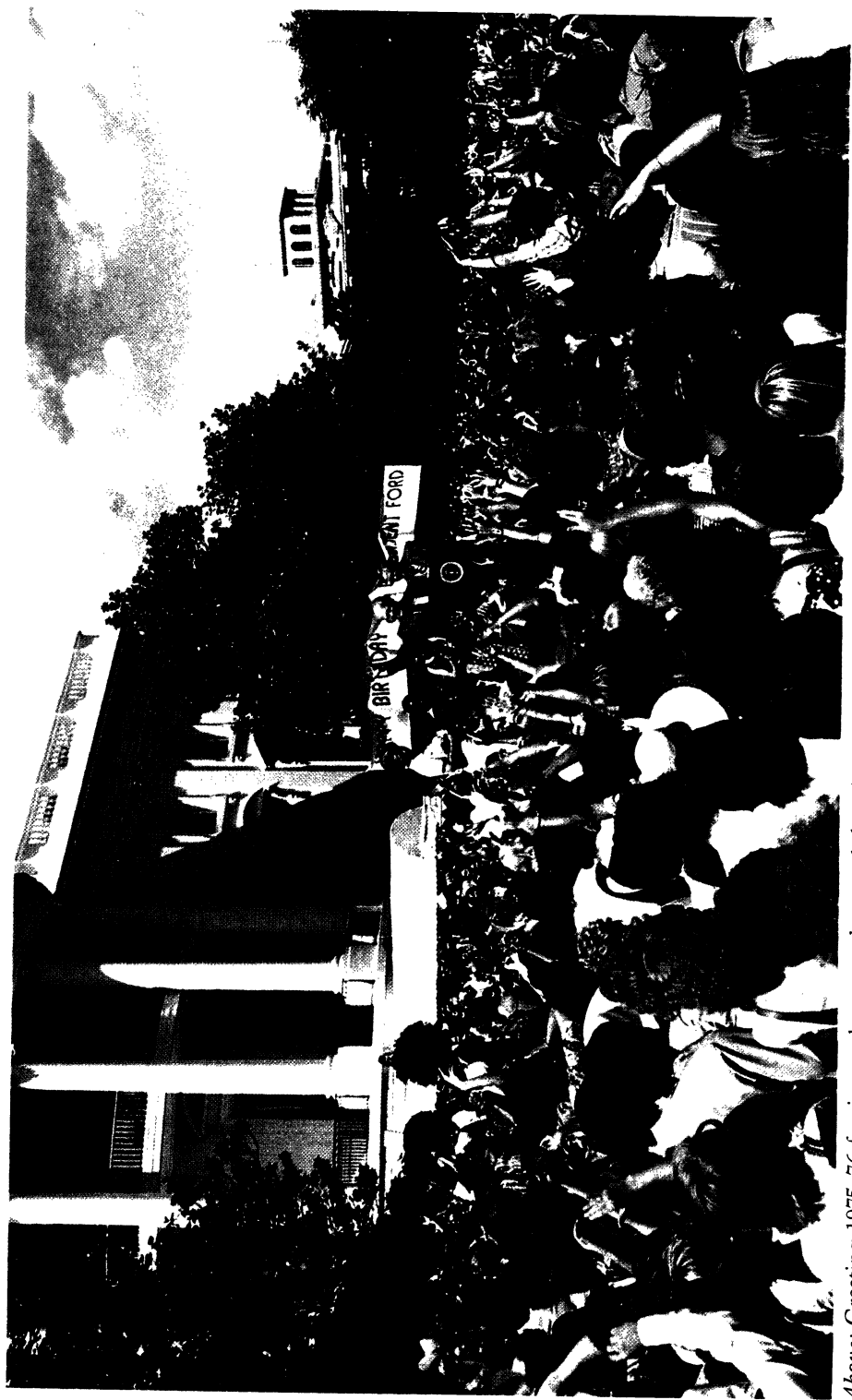




Above: Staff meeting in the Roosevelt Room at the White House, following the New Hampshire Presidential primary, February 25, 1976.

Below: With park rangers on a tour of Yellowstone National Park, Wyoming, August 29, 1976.





Above: Greeting 1975-76 foreign exchange students and their host family brothers and sisters from the American Field Service on the South Lawn at the White House, July 13, 1976.



Above: In the Oval Office, January 20, 1976.



Above: Leaving the White House for the Inauguration at the Capitol with Mrs. Ford and President-elect and Mrs. Carter, January 20, 1977.



With President-elect Jimmy Carter in the Blue Room at the White House, January 20, 1977.

877

**Memorandum of Disapproval of the International
Navigational Rules Act of 1976. *October 10, 1976***

I AM today withholding my signature from H.R. 5446, a bill to implement the United States obligations under the Convention on the International Regulations for Preventing Collisions at Sea, 1972.

The bill includes a provision which I believe to be unconstitutional. It would empower either the House of Representatives or the Senate to block amendments to the Convention's regulations merely by passing a resolution of disapproval.

This provision is incompatible with the express provision in the Constitution that a resolution having the force and effect of law must be presented to the President and, if disapproved, repassed by a two-thirds majority in the Senate and the House of Representatives. It extends to the Congress the power to prohibit specific transactions authorized by law without changing the law—and without following the constitutional process such a change would require. Moreover, it would involve the Congress directly in the performance of Executive functions in disregard of the fundamental principle of separation of powers.

I believe that this procedure is contrary to the Constitution, and that my approval of it would threaten an erosion of the constitutional powers and responsibilities of the President. I have already directed the Attorney General to become a party plaintiff in a lawsuit challenging the constitutionality of a similar provision in the Federal Election Campaign Act.

In addition, this provision would allow the House of Representatives to block adoption of what is essentially an amendment to a treaty, a responsibility which is reserved by the Constitution to the Senate.

This legislation would forge impermissible shackles on the President's ability to carry out the laws and conduct the foreign relations of the United States. The President cannot function effectively in domestic matters, and speak for the nation authoritatively in foreign affairs, if his decisions under authority previously conferred can be reversed by a bare majority of one house of the Congress.

The Convention—which has already been approved by the Senate—makes important changes in the international rules for safe navigation. It will enter into force in July of 1977. The United States should become a party to it. If the United States does not implement the Convention before it enters into force, there will be major differences between the navigational rules followed by U.S.

ships and by the ships of many other countries. These differences will increase the danger of collisions at sea and create hazards to life and property at sea.

I strongly urge the 95th Congress to pass legislation early next year that will be consistent with our Constitution, so that the United States can implement the Convention before it enters into force.

GERALD R. FORD

NOTE: The memorandum was released at Dallas, Tex.

878

Message on the Observance of National Newspaper Carrier Day, 1976. *October 11, 1976*

THE FINE young people who deliver our nation's newspapers to millions of readers are most deserving of a special day of tribute to their hard work, diligence and enterprise.

They represent the finest spirit of a society that was built on and rewards individual initiative, and that has flourished because of the ability of its citizens to assume responsibility in community life.

National Newspaper Carrier Day gives all of us the opportunity to show appreciation for the reliable way in which these young people simplify our lives and make better lives for themselves by the job experience they acquire.

GERALD R. FORD

879

Message on the Observance of National Newspaper Week, 1976. *October 11, 1976*

IN THIS Bicentennial year the traditional tribute to our nation's newspapers takes on even greater significance. It calls public attention to the continuing vitality of the freedom of the press that is such a cherished part of the legacy we celebrate. It also evokes the solemn responsibility of America's newspapers to the trust they hold and acknowledges their efforts to perpetuate the integrity and honor of our birthright as members of a free society.

Our freedom has been nurtured by an unfettered press and by the vigilance and skill of publishers, editors and journalists throughout the country.

I welcome the opportunity provided by this observance to salute the nation's

newspapers and the hard-working men and women who make them such an indispensable force in our way of life.

GERALD R. FORD

880

Remarks at a Columbus Day Ceremony. October 11, 1976

Thank you very, very much, Bonnie, reverend clergy, Mr. Ambassador, Mr. Minister, Senator Domenici, Governor Lee, Mr. Mayor, distinguished guests, ladies and gentlemen:

Almost 500 years ago a bold Italian mariner dared to challenge the unknown. Each October we set aside a day to honor his memory. But Columbus Day, in our Bicentennial Year, reminds us that the courage of 1776 was preceded by the courage of 1492.

Much has changed in the five centuries since Columbus ventured into the Atlantic Ocean in command of three small ships, flying the flag of Spain. In an age of computers, laser beams, and space probes of Mars, it is hard for us to appreciate the awesome danger Columbus faced—a wide and treacherous ocean, fickle winds, unreliable equipment.

Columbus knew full well that his daring adventure could easily end in total disaster. Yet, in spite of the enormous risk, he went forward, not just once but four times. In doing so, he not only discovered a new world but blazed a nautical trail for generations of Europeans to follow.

Today, the thread of many cultures and many nations are woven into the American fabric, which reminds me of a story many times told to me by a Sunday schoolteacher in my early youth. He used to talk about the beauty of Joseph's coat—the many colors—the beauty of Joseph's coat and its many colors. I believe that the beauty and strength of America is its diversity, just like the beauty of Joseph's coat is its beauty.

I salute the Italian-American Bicentennial Commission and the Knights of Columbus of the metropolitan area for cosponsoring this wonderful occasion on this gorgeous day. Columbus Day is not just a celebration for Americans of Italian or Hispanic heritage, but a truly national tribute by all Americans.

Over the years, millions of immigrants have come to America from every corner of the globe. Many millions have been sons and daughters of Italy following the course of Columbus. Like Columbus, they crossed an ocean to pursue a dream. Like Columbus, they took great risks. Their greatest reward was the

fine careers of their children and their grandchildren who have risen to the highest levels of achievement and respect in this great country.

Today, the problems we face in building a better world can be just as difficult as the ones Columbus overcame in finding a new one. The peoples of the Old World still look to the New World as the champion of freedom, the champion of human rights. America has been their hope and their help, and we will never let them down.

Our goal of peace with freedom requires every bit as much courage and faith and endurance and as much toil for Americans today as Columbus demanded of his wonderful crew.

We can build a better world. We can do it by working to preserve our neighborhoods and the influence of the family on American life. We can do it by ensuring a decent education and equal opportunity for every American. We can do it by working to give our children the very best legacy—continued peace with freedom throughout the world.

Today, we honor the bravery, the imagination, the initiative of Christopher Columbus by laying this wreath. We can honor him every day of the year by being just as brave, just as imaginative, and showing as much initiative in facing the challenges before us.

We seek not a new trade route or a new continent, but a new world of freedom, equality, and lasting peace among nations. Over the years, America has made great strides toward that goal. As Columbus, himself, might have thought, we have come too far to turn back now. The course has been set. Our mission to achieve the American dream here at home, but also worldwide, will be achieved.

Thank you very much.

NOTE: The President spoke at 1:42 p.m. at the Christopher Columbus Statue at Union Station. In his opening remarks, he referred to Bonnie Angelo, White House correspondent for Time magazine, Roberto Gaja, Italian Ambassador to the

United States, Joaquin Cervino, Minister of the Spanish Embassy, Senator Pete V. Domenici of New Mexico, Lt. Gov. Blair Lee of Maryland, and Mayor Walter E. Washington of the District of Columbia.

881

Remarks at a Meeting With American Leaders of Eastern European Ancestry. *October 12, 1976*

I APPRECIATE this opportunity to meet with you today because I want to set the record straight on an issue that has received prominent attention in the past week—the question of Soviet domination of Eastern Europe.

Let me be blunt: I did not express myself clearly when this question came up in the debate last Wednesday night.¹ So that there can be no doubt about where I stand, let me spell out precisely what I believe:

—First, the countries of Eastern Europe are, of course, dominated by the Soviet Union. Were it not for the presence of more than 30 Russian divisions there now, the countries of Eastern Europe would long since have achieved their freedom.

—Second, the United States never has, does not now, and never will recognize, accept, or acquiesce in this Soviet domination of Eastern Europe.

—Third, the peoples of Eastern Europe yearn for freedom—while their countries may be physically dominated, their spirit is not. Their spirit has never been broken and never will be. And some day they will be free.

That, ladies and gentlemen, is the essence of my position. It is what my commitment to the dignity of man and his inalienable right to freedom compels me to believe. It is what my whole record of public service has demonstrated I believe. And any man who seeks to persuade you that I think otherwise is engaging in deceit and distortion.

The original mistake was mine. I did not express myself clearly; I admit it. But in the last analysis, my record of 30 years of service in the Congress, as Vice President, and as President must speak for itself. More than a year ago, in July of 1975, I said that, "It has always been my policy ever since I entered public life, to support the aspirations for freedom and national independence of the peoples of Eastern Europe—with whom we have close ties of culture and blood—by every proper and peaceful means." I stand by that record today, and I am proud of it. I welcome making it an issue in this campaign.

But another critical issue—one which you, with particularly close ties to Eastern Europe, as well as the American people as a whole, should consider—is whether a man who shows so little appreciation of America's strength, America's respect, and America's needs—as my opponent has done in this campaign—should be allowed to guide the fortunes of the most powerful Nation on Earth.

The American people have a right to ask whether a political candidate, who has variously called for a \$15 billion cut, or a \$7 or 8 billion cut, or a \$5 to 7 billion cut in the defense budget, and who then complains that we are "not strong anymore"—as Governor Carter has done—is truly the man to govern the only country in the world that can assure the defense of freedom and give hope to the millions of oppressed in Eastern Europe and throughout the world.

Finally, let me address the critical question of leadership, which Governor

¹ See Item 854, page 2408.

Carter has rightly raised. Do we want to entrust the leadership of this great Nation to a man who seeks to lift himself up to the White House by running down the reputation of the United States? Is the leadership we want that which claims that America "is not respected anymore" when it is the United States—and the United States alone—that is trusted by all sides in the Middle East and by both black and white in southern Africa?

America is the leader of the free world, and the American people are proud of it. But the kind of leadership America seeks for itself, the kind of leadership America offers the world, the kind of leadership we need for the future, is the leadership of example, compassion, and commonsense. And if that is what we are, if that is what we want to be, then phrases such as "a disgrace to our country"—phrases that demonstrate moral conceit rather than example, compassion, or commonsense—have no place.

I want the American people to understand the profound differences between us in areas of policy as well as philosophy. Therefore, I intend to fight Mr. Carter on the issues with all the ability I can command.

The challenges before us are immense if we are to successfully defend the principles of freedom and independence we celebrate this Bicentennial Year. The free world looks to us as the last best hope for preserving this heritage. To be successful we must be strong. The fact is we are, and I intend to assure that in this critical hour America remains the strong, steady defender of freedom for all humanity.

NOTE: This is the text of the remarks as read by the President at the meeting, which began at 9:45 a.m. in the Cabinet Room at the White House.

882

Statement on Signing the Toxic Substances Control Act.

October 12, 1976

I HAVE signed S. 3149, the Toxic Substances Control Act. I believe this legislation may be one of the most important pieces of environmental legislation that has been enacted by the Congress.

This toxic substances control legislation provides broad authority to regulate any of the tens of thousands of chemicals in commerce. Only a few of these chemicals have been tested for their long-term effects on human health or the environment. Through the testing and reporting requirements of the law, our understanding of these chemicals should be greatly enhanced. If a chemical is

found to present a danger to health or the environment, appropriate regulatory action can be taken before it is too late to undo the damage.

The legislation provides that the Federal Government, through the Environmental Protection Agency, may require the testing of selected new chemicals prior to their production to determine if they will pose a risk to health or the environment. Manufacturers of all selected new chemicals will be required to notify the Agency at least 90 days before commencing commercial production. The Agency may promulgate regulations or go into court to restrict the production or use of a chemical or to even ban it if such drastic action is necessary.

The bill closes a gap in our current array of laws to protect the health of our people and the environment. The Clean Air Act and the Water Pollution Control Act protect the air and water from toxic contaminants. The Food and Drug Act and the Safe Drinking Water Act are used to protect the food we eat and the water we drink against hazardous contaminants. Other provisions of existing laws protect the health and the environment against other polluting contaminants such as pesticides and radiation. However, none of the existing statutes provide comprehensive protection.

This bill provides broad discretionary authority to protect the health and environment. It is critical, however, that the legislation be administered in a manner so as not to duplicate existing regulatory and enforcement authorities.

In addition, I am certain that the Environmental Protection Agency realizes that it must carefully exercise its discretionary authority so as to minimize the regulatory burden consistent with the effective protection of the health and environment.

The administration, the majority and minority members of the Congress, the chemical industry, labor, consumer, environmental, and other groups all have contributed to the bill as it has finally been enacted. It is a strong bill and will be administered in a way which focuses on the most critical environmental problems not covered by existing legislation while not overburdening either the regulatory agency, the regulated industry, or the American people.

NOTE: As enacted, S. 3149, approved October 11, 1976, is Public Law 94-469 (90 Stat. 2003).

883

Statement on Signing the Bill Providing for the Relief of the Survivors of Dr. Frank R. Olson. *October 12, 1976*

I AM today signing into law S. 3035, a private bill for the relief of the survivors of Dr. Frank R. Olson.

Dr. Olson was a civilian biochemist employed by the Department of the Army. He died when he jumped from a 10th floor window of a hotel in New York City on November 28, 1953. Approximately 1 week earlier, employees of the CIA had administered LSD to Dr. Olson. The administration of the drug occurred without his prior knowledge and would appear to have been a proximate cause of his death.

Legislation to appropriate \$1,250,000 to compensate the wife and three children of Dr. Olson for his death was supported by this administration. However, the Congress approved a measure calling for the payment of a total of \$750,000 to these survivors. Should the Congress next year consider further private relief legislation to raise the total amount of compensation to \$1.25 million, this administration would support the measure.

The approval of this bill underscores the basic principle that an individual citizen of this Nation should be protected from unreasonable transgressions into his personal activities. There should be no doubt that my administration is opposed to the use of drugs, chemicals, or other substances without the prior knowledge and consent of the individual affected. At the request of the family of Dr. Olson, I take this opportunity to highlight this continuing policy.

NOTE: As enacted, S. 3035, approved October 12, 1976, is Private Law 94-126.

884

Memorandum of Disapproval of the Bill Providing for the Relief of Camilla A. Hester. *October 12, 1976*

I HAVE withheld my approval from S. 3790, a private bill which would authorize a civil service survivor annuity retroactive to September 28, 1972, to Mrs. Camilla A. Hester as the widow of the late John A. Hester.

While I am sympathetic to Mrs. Hester's circumstances, S. 3790 unfortunately contains two precedent-setting provisions which I consider very undesirable, not only for future private relief legislation, but also for ordinary claims under the Civil Service Retirement System.

The first would require the Civil Service Commission to pay interest at 6 percent per annum retroactive to 1972 on the survivor's benefit which would be authorized by S. 3790. The second would require the Treasury to pay Mrs. Hester \$5,000 as compensation for her successful effort to be awarded the benefit. Neither of these provisions are appropriate, in my judgment, in bringing Mrs. Hester equitable relief.

For these reasons I am unable to approve S. 3790. I have signed other private relief legislation during the 94th Congress designed to rectify the inequitable circumstances arising from the "length of marriage" requirement in the civil service retirement law. However, these bills did not contain the objectionable provisions contained in S. 3790. I would be pleased, however, to consider legislation for Mrs. Hester that would provide appropriate relief without the objectionable features discussed above.

GERALD R. FORD

885

**Remarks at Yeshiva of Flatbush High School
in Brooklyn, New York. October 12, 1976**

Senator Javits, Senator Buckley, Attorney General Leffkowitz, Congressman Peyser, Congressman Gilman, Dick Rosenbaum, Mr. Goldschmidt, Mrs. Eliach, Mr. Klein, distinguished guests, ladies and gentlemen:

I commend this outstanding Jewish institution and especially the Center for Holocaust Studies. From the greatest tragedy of the Jewish people came the greatest achievements of the Jewish spirit—the rebirth of the State of Israel. This inspires Americans of all faiths. The Jewish people, once tragic victims, today are symbols of human courage, pride, and unconquerable determination, and I congratulate you for it.

When I think of the terrible atrocities of World War II, when I recall the grim and moving day when I visited Auschwitz, when I think of the 6 million Jewish martyrs and others so brutally murdered, I reflect on how fortunate we are to be citizens of a country which exalts trust in God and God-given rights of every person to life, liberty, and the pursuit of happiness.

I was just presented with a small lapel pin inscribed with a Jewish or Hebrew word "Remember"—and I will remember. God has blessed our great land. With this blessing goes a great responsibility. As a free people, we must remember that the price of freedom is eternal vigilance.

In our lifetime there has been more than enough tragedy and terror, more than enough fanaticism and fear. My administration has committed to combat, effectively and affirmatively, terrorism everywhere on a worldwide basis.

I shared the relief and the pride of the Jewish people last July 4, when our Independence Day was given an added dimension by the heroic Israeli rescue operation in Uganda. And I am proud of the fact that I was the first head of

government to praise this tremendous act of courage and determination by the State of Israel.

Just as I am determined to fight terrorism throughout the world, I will do everything in my power to fight terrorism in our own streets and neighborhoods, in New York and throughout the United States. We all know, from the records and from personal experiences, there have been too many muggings and too many murders. The time has come to lock up those who make a career of crime and give the streets back to the people.

We are dedicated to American religious freedom, but religious freedom means little if people cannot walk in safety to their synagogues and to their churches, cannot feel secure in their own streets and in their own neighborhoods, and cannot be sure that society is as devoted to the rights of the victim as to the rights of the criminal. A free people must never capitulate to terrorism whether at foreign airports or in our own streets.

I am in Flatbush today to reaffirm that neighborhoods and communities like this are the lifeblood of America today. Let us expand and encourage the values inherent in our neighborhoods and in our traditions. America's future requires traditional commonsense, not radical experimentation at personal expense. We must cherish and preserve our religious traditions, the family, the home, and the rich heritage of many cultures and neighborhoods throughout America.

The United States is sound. We are secure. We are on the march to full economic recovery and a better life for all Americans. But America's salvation will not be found in expensive new programs financed by you who pay the taxes and obey the laws. In the name of justice for some, we must not do injustice to others.

I am totally opposed, completely against arbitrary quotas in hiring and in education. Individual merit must be rewarded. Opportunity should be open to all Americans on an equal basis. I, today, renew my pledge to be President of all the people, not with wild promises and vague plans but with a proven record of performance.

The Arab boycott has been in existence since 1952, and I have opposed it since 1952. Our moral and legal opposition to the Arab boycott is being made forcefully clear not only to the foreign governments but to the American business community. Last week I ordered the Department of Commerce to make public every instance in which Arab boycott demands are reviewed from now on by American companies. Such disclosure will allow the public to monitor the response of business and industry. I have not and will not tolerate the transla-

tion of foreign religious prejudice into domestic discrimination against American citizens.

I am proud to be the first President to take strong, Executive action to combat the boycott. In March of 1975, I initiated the first comprehensive White House review of the boycott problem. My action led, in November 1975, to a series of Executive orders that I issued specially to combat religious discrimination against American citizens.

During the 25 years that I was privileged to serve in the Congress of the United States, I acted, as you know, on numerous occasions to bring America's attention to the plight of Soviet Jewry. As President, I am pressing for new movement on the issue of emigration of Jews from the Soviet Union. I raised this question personally with General Secretary Brezhnev, and I will raise it again and again. It is immoral for any nation to either dominate other nations or to dominate the religious life and elementary human rights of its own citizens.

From the time that I first ran for Congress in 1948, I recognized that a strong Israel is essential to the cause of peace and the national security of the United States, and I am proud of that record. That record is as old as the State of Israel, and you know where I stand. I stand firm in my commitment to Israel. I am proud that our delegation at the United Nations has fought and will fight any measure that condemns Zionism as racism or would deny Israel her full rights of United Nations membership.

America's policy of peace through strength has proven itself in the Middle East and throughout the world. Nobody questions our dedication to peace, and nobody must doubt my willingness to use our strength when America's vital interests are at stake. A strong defense is the best insurance for peace. But our strength has never rested upon arms alone; it is rooted in our commitment to the highest standards of ethics and morality.

As President, I am proud to say that peace in the Middle East has been enhanced by the trust that we have elicited on both sides. Israel's future is certainly brighter today than it was before I had the honor of becoming President of the United States. In the last 2 years the forces of moderation in the Middle East have grown stronger. The area's extremists and terrorists are on the defensive. Prime Minister Rabin, who has been my personal friend since he was Ambassador in the United States when I served in the Congress, said recently that relations between our two countries are at a peak. The funds for Israel in my first 2 years of office totaled \$4,300 million. Forty percent of the total American aid to Israel since 1948 was authorized during the Ford administration.

Our support of Israel with weapons, not words, was summed up by Israel's

Prime Minister Rabin, who said, and I quote, "The margin between what we want and what we get is very small." Israel's strength enhances the prospects for peace. I reaffirm today that as we pursue peace there will be no imposed solution. There will be no one-sided concessions.

I have met with Prime Minister Rabin and other Israeli leaders in Washington on many occasions since I became President. In my next term, I intend to visit Israel and other Middle Eastern countries whenever such a trip would contribute most to a just and lasting peace.

My record as a friend of Israel speaks for itself. My record is one of realism, not rhetoric. My record is one of experience, not expediency. My record is one of performance, not promises.

I recall the timeless question asked by a great Jewish prophet, and I quote, "What doeth the Lord require of thee, but to do justly, and to love mercy, and walk humbly with thy God?" As I visit with citizens like yourself and neighborhoods like this, I am reassured by the goodness of the United States of America, a nation which strives to do justice and to love mercy. Let us walk humbly together in brotherhood with God as our guide.

Thank you very, very much.

NOTE: The President spoke at 12:55 p.m. In his opening remarks, he referred to Senators Jacob K. Javits and James L. Buckley, Louis J. Lefkowitz, attorney general of New York, Representatives Peter A. Peyser and Benjamin A. Gilman, Richard Rosenbaum, chairman of the New York State President Ford Committee, Fred Goldschmidt, president

of Yeshiva High School, Mrs. Yatta Eliach, director, Center for Holocaust Studies, and George Klein, deputy director, Jewish National Campaign.

Following his remarks, the President met with Jewish community leaders and then greeted the high school students at the succah.

886

Remarks During a Motorcade Tour of Brooklyn, New York. *October 12, 1976*

BOROUGH PARK (2:30 p.m.)

LET ME say a word for just a minute, if I might. It is a great privilege and a very high honor to have the opportunity of being in Brooklyn with Senator Javits and Senator Buckley and to have an opportunity to thank you all for the very warm reception. Over the years I have had many, many opportunities to come to this great city and know intimately many of the fine people in Brooklyn, New York City.

We have a great country. We must keep strong within our country by making

certain that we spend your tax dollars in a responsible and a proper way. We must make certain that we find the best way, the fairest way for the Federal Government to tax all of you. I happen to believe very strongly that the middle-income taxpayer of this country has been shortchanged and that the middle-income taxpayer needs a tax reduction in the way that I proposed by increasing the personal exemption from \$750 to \$1,000. And we're going to get it in the next session of Congress.

But it is also important that we find the best answer to making America prosperous again. And we can do that by the right tax policies that give more tax reduction to the taxpayers and hold a reasonable restraint on the expenditure of Federal funds.

Let me say this: I will never be satisfied until everybody who wants to work can find a job, period.

Let me in conclusion make this observation. America is strong; America is secure. There is not a single young American boy fighting or dying on foreign soil today. We are at peace, and we should be proud of it. We have the military capability and the diplomatic skill to keep the peace.

So, I pledge to each and every one of you that we will have a strong and prosperous economy. We will have a peace that is secure. And you can trust your President, who has restored trust in the White House.

Thank you very, very much.

BAY RIDGE (3 p.m.)

LET ME say just a few words. I think we can say with pride, we can say with the fullest, complete conviction, that we are doing the right thing for this country. I am the first President in 20 years who can go before the American people and say that our Nation is at peace. There is not a single young American fighting or dying on any foreign soil today, and we should be proud of it. And we have the military capability and the diplomatic skills to keep the peace, and you will under a Ford administration.

But we have to have a healthy economy at home, and that means a job for everybody who wants a job; it means a home for everybody who will work for it and save for it. And that means we have to get rid of the crime on the streets so that you and your children will be free of any terrorism, either at home or abroad. It means that you have to have the best education, the kind of health care that you need and that you can afford.

So, we want only good health, good education, a better tax system, responsible action in meeting the problems of crime, equality of life in America.

Let me conclude by one final comment. I think the middle-income taxpayer in this country is getting shortchanged, and the best way to give him the right kind of tax relief is to increase the personal exemption from \$750 to \$1,000. That's what we need and that's what we'll get.

Thank you all very much.

[At this point, the President's motorcade proceeded from 82d Street and Fifth Avenue to 84th Street and Fifth Avenue, where the President spoke as follows:]

Hi, how are you? Nice to see you.

Let me make one or two comments. I am delighted to be here in this wonderful community with Senator Jack Javits and Senator Jim Buckley. Give them a big hand.

Let me say very quickly, what do we want in America? We want peace, and we want prosperity, and we want trust. Under your President, Jerry Ford has restored trust in the White House. You can now believe what you hear out of the White House.

Number two, America is at peace. There is not a single young American fighting and dying on foreign soil today, and we're going to keep it that way.

But we want to give a better quality of life right here in America. What we want is a job for everybody who wants to work, and we will get him a job. We want a home for everybody who will work and save for it, and we are going to get that under the next 4 years. We want to be certain that you can walk down this street or that street and be safe, and we are going to take care of the crime problem in America, period.

We want these young people that I have seen on both sides of the street—we want them to get an education so that they can not only have an education but one that will do them good when they get old enough and want a job. And we're going to get that in the education system.

But let me just conclude with this observation. November 2 is a critical testing point for America. If you want a country that is strong at home, strong abroad, and with peace and prosperity, vote for Jerry Ford. I ask for your support.

Thank you.

NOTE: The President spoke from his limousine at each stop during the motorcade tour.

887

Remarks at a Republican National Committee Dinner in
New York City. October 12, 1976

Nelson, Senator Jack Javits, Senator Jim Buckley, Governor Wilson, Attorney General Lefkowitz, distinguished Members of Congress, Mary Louise, Dick Rosenbaum, Gus Levy, distinguished guests, ladies and gentlemen:

That concludes my remarks. Thank you very much. [*Laughter*]

Obviously, Nelson, I am deeply grateful for your more than generous comments, and as I will say in a moment, there is no way that I can adequately express my appreciation for the superb job that you have done in the last 2 years.

I talked to Betty just before I came down—and Nelson is one of her favorites, as Happy¹ is one of mine—[*laughter*—and she said to give you her very best and to extend to all of you her deepest gratitude and appreciation. She wanted to be here, but in the last 5 days she has been in California, the State of Washington, Colorado, Buffalo, New York, and she is going out to four States in the next few days. So, she asked me if you would think she was here in spirit if not in person, and she is, and said to say hello to all of you.

But I do want to pay particular attention to the 13 all-American representatives of the various ethnic groups here, the some 23 nations, as I understand it, and I am deeply grateful for their support, their dedication, and their understanding. Thank you very, very much.

Nelson, it's good to be hiding out in the White House here in New York. [*Laughter*] I spent last week hiding out in the White House in California, Oklahoma, and Texas. I plan to spend the rest of the week in the White House in Missouri, Iowa, and Illinois. What I'm actually doing is playing hide and seek. I'm looking all over, trying to find the candidate who used to run around the country saying, "I will never lie to you." [*Laughter*] I might say, parenthetically, he seems to have disappeared. [*Laughter*]

But wherever I go, I do hear good things about another former Governor. I hear that he is one of the most enthusiastic, one of the most effective, one of the most energetic campaigners for the Republican cause in this crucial 1976 election. I hear he describes what we have accomplished in my 26 months as President a whole lot better than I do. He is Nelson Rockefeller, and his middle name is loyalty. Thank you.

In politics you can have charisma, you can have eloquence, you can have

¹ Mrs. Nelson A. Rockefeller.

leadership, you can have character, you can have experience, and Nelson has all of these things. Believe me, though, the one thing that you really look for in this political arena most of all is loyalty, and Nelson has it. And I thank you very much.

If I might, I would like to add a very special comment, Nelson, not only for what you have done as Vice President, not only for what you have done for my candidacy and what you are doing in this campaign but what you have done for our country all of your public life. Nobody will ever surpass the dedication, devotion that has been demonstrated on behalf of his country over the years by our Vice President. And I think not only you here tonight but the people in the great Empire State and all of us in the other 49 States are deeply grateful for this wonderful public servant, whom I have gotten to know and love and trust, and who I think is super.

Now I would like to express my gratitude to your great State chairman, Dick Rosenbaum, who has a subtle way of suggesting that maybe certain things ought to happen—look at him blush. [*Laughter*] Well, we will do our best, Dick, to repay you for the first-class job you did in Kansas City.

Needless to say, I have been gratified and deeply impressed by what I have heard and seen here in New York today. I am no judge of how big the crowds are or how enthusiastic the people are because I have never had the privilege of being a candidate in New York State before. But I can tell warmth in the eyes of people, and I can tell by the way they look and feel and speak and yell and get together. We had a great day in Brooklyn today, and I want to thank everybody for it.

As Nelson said, the people of New York City are sorting out some of the most difficult financial problems any city in this country has ever faced. I know it has not been easy for New York City to pull through these financial problems.

During our travels through Brooklyn, Flatbush, I had an opportunity to talk to Senator Javits and Senator Buckley, and I told them as follows: As New York City continues to meet its responsibilities—and I commend them and congratulate them—I strongly favor the continuation of Federal cash-flow assistance. It's good for the city, and it's good for the country.

I also added another little comment. I told them I support the rebuilding of the West Side Highway. About 35 or 40 years ago I was courting a very nice girl, and I used to come down from New Haven, and I used to ride and drive on that highway then. It was old and broken down then, and it should have been replaced a long time ago. As soon as the environmental impact statement is ready, we will go ahead. And the second—now this is the good news—I think

we sort of put a fire under them. They expect to have that all done in the next 30 days, and you will get the go-ahead signal.

But let me take just a few minutes. When I was here on the Fourth of July to see the Tall Ships, more beautiful sails came to this city, I think, than ever in the history of any city or any nation. There was promise, conviction, and hometown pride. It was clearly demonstrated by anybody who came to the city on that occasion. And that new spirit—as we flew over in the helicopter or in our aircraft—that new spirit was demonstrated. It was hard earned, and it was well deserved, and I congratulate you all.

Now, it's been 8 weeks since Kansas City. We've come a long, long way, baby. [*Laughter*] We have the facts, we have the issues, we've got the momentum, and we have got 3 more weeks to go to win a great victory for the American people.

I said in Kansas City that we wouldn't concede a single State, we wouldn't concede a single vote; we would campaign from the snowy banks of Minnesota to the sandy plains of Georgia. And we have, and we are going to win on November 2.

I have a firm commitment from Dick Rosenbaum and Nelson and Jack Javits and Jim Buckley that we are going to carry New York with its 41 electoral votes. And I have made a firm commitment to Jim Buckley: We are going to help him get reelected to the United States Senate from the State of New York.

It would be very helpful in the next 2 years if we could have a good number of additional Republican Members of the House of Representatives who would stand tall and strong when the tough issues come down—people like Jack Wydler² and the others—so do your best in that regard.

I also told you in Kansas City that I was ready and eager to debate Mr. Carter face to face on the real issues. I still am—[*laughter*—if I can ever pin him down. We've heard a lot of doubletalk from Mr. Carter, a lot of make-believe mathematics, a lot of fuzzy and contradictory policy proposals. I still don't know where Mr. Carter stands on most issues, and I don't think he does.

One thing is pretty clear: Mr. Carter wants to be President, whatever he has to say to get there. I can sympathize. I understand it when he says he will have to take a few years to study national and international problems and get all of the facts. Let's give Mr. Carter a few more years to prepare himself—[*laughter*—but not on the taxpayer's money.

You know what I will do, because you know what I have done for the past

² John W. Wydler, Republican congressional candidate from New York.

26 months. You know where we were then, and you know where we are today—peace, recovering from a recession, rebuilding pride in America in its 200th anniversary. You know what I have done as President, despite the partisan obstructionism of a Congress stacked 2 to 1 against me.

We heard before the convention that our party was sick, our party was dying. Now we hear the voters are overcome with apathy and really don't care who wins. I don't believe that. I just don't believe that. The American people do care, they have a clear choice, and our job is to get them to the polls to register their choice for our country.

Make no mistake—this election will decide the direction America is going to take in its third century of independence. Mr. Carter may be deficient in details, but the general direction of his philosophy is very, very plain. It's the same direction which his party has been leading this country for the last 44 years. Don't forget that his party controlled the Congress and wrote all the laws in 40 out of the last 44 years. That's really what's basically wrong in Washington today.

Mr. Carter wants more Federal Government; I want less. Mr. Carter wants higher Federal taxes for middle-income taxpayers; I want lower taxes for everybody, especially the overburdened, shortchanged man in the middle. Mr. Carter wants less defense insurance; I want the strongest and the best military capability science that money can provide. We can't do less than that. Mr. Carter wants to reduce our commitments to our long and steadfast allies; I want to maintain America's world leadership for peace.

These are real, fundamental differences, serious choices to be made by the people throughout this country. Mr. Carter, in his party's platform, chartered one course for this country. No matter how he zigzags, there's no doubt where he wants to go. The direction Mr. Carter would take us is the same one that brought us heavy inflation, a tax load that kills initiative and slows economic expansion, a slowdown in research and development, and oppressive interference by a know-it-all Federal Government.

I stand totally for a different direction. This year, my budget reduced—as Jack and Jim and Jack Wylder know—reduced the rate of government growth by 50 percent, or one-half. Congress exceeded it by more than \$18 billion. But I still mean to submit—and we can with the right Congress in the next 2 years—I still mean to submit a balanced Federal budget by 1978.

It doesn't seem like much, but I think it is an encouraging trend: In the 2 years that I have been there, we have reduced a proposed increase in Federal employees by 40,000—a projected increase—and we have actually reduced the number of employees in the civilian side of the Federal Government by 11,000. That is

something that we can do, have done, and will do in the months ahead beyond these 11,000.

My 60 vetoes saved the American taxpayer \$9½ billion. Mr. Carter constantly criticizes those vetoes, and yet he castigates us for having too big a deficit. I'm not sure how you can have it both ways. If his party's Congress, I might add parenthetically, had not overridden 12 of the vetoes that I made, we would have saved an additional \$16 billion more.

When I say that I stand for smaller government, and my performance proves it—on the other hand, Mr. Carter says he is for reforming and reorganizing the bureaucracy, but his performance tells a far different story. And I respectfully suggest you ask the taxpayers of Georgia. They don't tell the same story.

What do you think you will get from a Democratic President and another 2 to 1 Democratic Congress? One thing you will certainly get is more spending and bigger deficits. Another thing you will get is more runaway inflation. One thing you won't get is lower Federal taxes. Another thing you won't get is less Federal Government.

So, the choice before our country is very clear. You know where I stand, and I am proud of it. I have campaigned here ever since 1948 on the principle that a government big enough to give us everything we want is a government big enough to take from us everything we have.

About 10 days ago, early in the morning in Washington, I got a call from a very courageous leader of Government, one of our dear and respected allies. Prime Minister Callaghan called and said—and I quote from a speech that he made because, as many of you know, they have had serious difficulties, not only more recently but over the years—and I read some of the excerpts from a speech that Jim Callaghan gave that I think are worth repeating here on this occasion.

Jim Callaghan courageously said, and I quote, "We have lived for too long on borrowed time, borrowed money and even borrowed ideas, nor will we succeed if we use confetti money to pay ourselves more than we produce." Then the Prime Minister continued in his speech before his Labor convention of his own political party. He went on to say, "Each time we did this, the twin evils of unemployment and inflation have hit hardest those least able to stand them—the poor, the old and the sick."

I think that all Americans should learn a lesson from this courageous public leader in Great Britain and his very plain and straightforward talk to his fellow Members of the Parliament. I think the current crisis in Great Britain tells us more than any words can about the danger of too much government, too much spending on borrowed money. The British pound has sunk to its lowest

level in history. Inflation has been running over 25 percent. Government spending now accounts for 60 percent of the entire British economy.

As Republicans, we are not motivated by the love of government power but the fear of it, and we should be. We speak for those who work hard, pay their taxes, obey the laws, and have the right to enjoy their own God-given liberty. We are totally committed to a policy of peace through strength in a world where freedom is still threatened by aggressive adversaries. The United States of America must remain number one, and we will, for our protection and for freedom around the world.

I know how deeply all of you are devoted to the principles that we have been talking about—Nelson and myself and others—and I thank you from the bottom of my heart, Gus, and all of you, for your steadfast support.

But there is one more effort that I would like to ask of you. Republicans alone cannot win this election. The principles we hold are just as dear to millions of our friends and neighbors who prefer to be Democrats or Independents. Between now and November 2, I hope that every Republican will persuade just one Independent and one Democrat, two concerned citizens who feel as we do about the direction this country must take, to go to the polls and vote their true conviction regardless of party label.

If you do this, person to person and friend to friend, we can and we will win a great victory for the American people and the principles that we all espouse, regardless of how the label is after our registration.

The only way is to go forward together. There is no way we can lose except by resting before the last poll closes. And together, not as partisans but as a proud American, we will get America off to a great start on our third century of this freedom in the greatest country in the history of mankind.

Thank you very much.

NOTE: The President spoke at 9:45 p.m. in the Grand Ballroom at the New York Hilton Hotel. He was introduced by Vice President Nelson A. Rockefeller.

In his opening remarks, the President referred to Governor Malcolm Wilson of New York 1974–75,

Louis J. Lefkowitz, attorney general of New York, Mary Louise Smith, Republican National Committee chairman, Richard Rosenbaum, chairman of the New York State President Ford Committee, and Gus Levy, chairman of the dinner.

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Statement on Signing the Education Amendments of 1976.
October 13, 1976

I HAVE approved S. 2657, the Education Amendments of 1976. I have done so with some reluctance, because parts of the legislation are unwise and others contain authorization levels which we cannot realistically expect to meet. I have signed the legislation, however, because of the positive elements it contains and because most of its worst elements are readily susceptible to corrective legislation in the next session of Congress.

S. 2657 makes a number of positive changes to our education laws. I applaud the steps taken toward program consolidation in the Vocational Education Amendments. This is fully consistent with my broader effort to achieve consolidation of educational programs. I hope the incentives provided in this bill to increase State participation in the Guaranteed Student Loan program will fulfill their potential, and that the experimental program which consolidates at the State level the student application process of the Federal Basic Educational Opportunity Grant program with that of similar State grant programs will demonstrate the merit of returning such responsibilities to the State and local level.

Numerous administration initiatives designed to curb fraud and abuse in student assistance programs, particularly the Guaranteed Student Loan program, were adopted. Other needed administration recommendations to reduce sex-stereotyping in vocational education programs were also adopted.

However, I particularly regret the inclusion of the so-called trigger mechanism, which operates to divert funds from student assistance to clearly undesirable forms of institutional assistance, which the Congress itself has not recently funded in a substantial way.

In raising the maximum Basic Educational Opportunity Grant from \$1,400 to \$1,800, effective in the 1978-79 school year, the Congress may well have continued its penchant for promising more than we can responsibly provide. I am committed to the basic grant program, but I could not at this time reasonably expect that in 2 years we could fully fund this program at the new level.

There are other features in the bill which, I believe, are objectionable and which should be changed.

Although it is generally the practice of Congress to consider and pass major educational legislation only when the previous authorizing legislation terminates, I would ask that such not be the case with this legislation. S. 2657 has serious deficiencies. I intend to forward to the first session of the 95th Congress

for their consideration and action, major revisions to this bill, especially in the area of higher education, and I ask the support of those who participated in the development of S. 2657 to assist in its improvement.

NOTE: As enacted, S. 2657, approved October 12, 1976, is Public Law 94-482 (90 Stat. 2081).

889

Statement on Signing the Health Professions Educational Assistance Act of 1976. *October 13, 1976*

I HAVE approved H.R. 5546, the Health Professions Education Assistance Act of 1976, which will materially assist in ensuring that all Americans throughout the country will have sufficient access to physicians and dentists. Last year, the administration submitted to Congress a legislative proposal based on findings which showed that while there was no longer a shortage in the total number of physicians in the United States, there were alarming signs that this country was facing two growing problems with respect to these practitioners. There are not enough doctors in rural and inner-city areas, and there is a continuing decline in the number of doctors practicing primary care—i.e., the problem of specialty maldistribution.

I am pleased that the bill specifically addresses those issues which we identified as being of greatest concern. Although the bill contains some undesirable features, I believe that, on balance, it represents a definite step toward improving health care delivery and, accordingly, warrants my signature.

There are several provisions of this legislation which will be instrumental in solving the problems of geographic and specialty maldistribution. The bill continues and expands a scholarship program which will provide individuals with financial assistance to attend medical school. In exchange for these scholarships, each recipient will be required to serve in a health manpower shortage area for a period of at least 2 years. Coupled with this scholarship program, the bill authorizes the establishment of a Federal program of insured loans—a proposal I have supported—to assist health professions students. This program virtually assures that no individual will be denied a medical education for financial reasons. Also, the bill establishes a program of special assistance to disadvantaged students, in an effort to equalize opportunities among all individuals who wish to become health professionals.

In order to deal with the problem of specialty maldistribution and increase the number of doctors who deliver primary care, the bill authorizes the continua-

tion of the existing program of financial support to health professions schools through capitation grants. However, a significant new condition is attached to the receipt of these grants. Medical schools would be required to provide annually an increasing percentage of residency positions for individuals in primary care specialties, i.e., pediatrics, internal medicine, and family medicine.

The bill authorizes funding for numerous special projects relating to the education and training of physicians and allied health personnel. Special grants are authorized for programs in family medicine and the general practice of dentistry. In addition, grants for programs for the training of physician extenders and expanded function-dental auxiliaries were authorized. Such programs are designed to enhance the overall capacity of physicians and dentists to deliver health care.

Finally, the bill revises and extends the existing National Health Service Corps program—a program which has made significant strides in alleviating the problem of inaccessibility to health care services in medically underserved areas. This program currently has more than 600 professionals working in shortage areas. It is estimated that by next year, this number will grow to almost 700. And, with the authorizing legislation before me now, we expect the capabilities of this program to increase dramatically during the following 3 years.

As I noted, however, the bill is not without some defects. Because I am particularly concerned about the potential impact of some of these troublesome provisions, I intend to submit legislative recommendations to remedy these problems as soon as the Congress returns.

Primarily, these concerns relate to the levels of spending authorized by the legislation, provisions which deal with medical school admission requirements for Americans returning from foreign medical schools, and payback conditions for students who do not fulfill their obligations under the National Health Service Corps scholarship program. I am convinced that the authorization levels attached to this program are excessive. I believe that the desired results can be attained at a much lower cost. I particularly object to the provision which creates an automatic funding “trigger” for the scholarship program and which penalizes other programs authorized in the bill if certain scholarship funding levels are not met. Not only does this provision impose unwarranted sanctions but it distorts the entire congressional appropriations process.

Furthermore, I have reservations about the capitation condition which requires medical schools to accept a certain number of American citizens who have been students in foreign medical schools and who meet certain criteria. Not only does this requirement potentially create administrative problems but, equally as

important, it undermines our medical schools' admission policies by imposing Federal law to override an individual school's admission criteria.

Finally, I object to the unduly harsh penalties assigned to those scholarship recipients who fail to fulfill their service obligation in the National Health Service Corps. With respect to these people, the bill requires them to pay back three times the amount of the scholarship plus interest, with adjustment for any portion of a service obligation performed, within 1 year of the breach of this obligation. In my view, a penalty of twice the amount provided, plus interest, would be more than sufficient.

As I indicated earlier, I plan to recommend action to remedy these problems as soon as Congress reconvenes. Despite the drawbacks of the bill, however, I believe this legislation is necessary. Many of the problems which are contained in this bill have been without authorizing legislation since June 1974. Furthermore, the bill addresses the important problems which we identified last year. In weighing all of these factors, I believe that it is in the best interest of the American people to sign this measure into law.

NOTE: As enacted, H.R. 5546, approved October 12, 1976, is Public Law 94-484 (90 Stat. 2243).

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Remarks in Yonkers, New York, Upon Signing the State and Local Fiscal Assistance Amendments of 1976.

October 13, 1976

Dick, Senator Javits, Senator Buckley, distinguished Members of the Congress, Governor Wilson, Mayor Martinelli, Monsignor Head, distinguished guests, ladies and gentlemen:

Today marks a major milestone in our continuing effort to make government work better for the American taxpayer. In just a moment, I will sign into law a bill extending what we call general revenue sharing for another 3¾ years.

Many of you here in this group this morning played a very leading part in the passage of the original revenue sharing bill back in 1972. No one had a more significant role than two former Governors of the great State of New York—Vice President Rockefeller and your own hometown friend, Malcolm Wilson. Malcolm, congratulations.

In 1972, as the Republican leader of the House of Representatives at that time, I led the fight in the House of Representatives for the revenue sharing concept. In 1976, as President, I led the fight for the renewal of the general

revenue sharing legislation. In 1980, as President of the United States, I will still lead the fight for the continuation of general revenue sharing.

My strong support for revenue sharing stems from one very simple but very important fact. Revenue sharing is a people's program that works very well for all our people—215 million of them throughout the length and the breadth of this land.

By the end of this year, 39,000 State and local units of government will have received more than \$30 billion in general revenue sharing funds from the Federal Treasury. Here in Yonkers, almost \$8 million in revenue sharing funds have been used for major transportation improvements, better fire and police protection, and other essential public services.

Throughout America, as many of the mayors that I see here this morning well know, revenue sharing has beefed up, enforced law enforcement efforts, made health services much more accessible, expanded parks and recreational facilities, held local property taxes in check, and helped promote economic growth in literally thousands of communities. It's a good program, and we're lucky to have it.

Revenue sharing success goes well beyond these excellent services. This program has reversed a dangerous trend toward centralization, unaccountable power in Washington, D.C. For decades, the Federal Government piled programs of narrow categorical aid, one on top of another. By 1972, there were more than 1,000 separate Federal grant programs, each equipped with its own Federal bureaucracy, its own set of rules and regulators.

With revenue sharing, we have begun to restore the necessary balance among Federal, State, and local units of government to restore local control over local concerns. That means you in Yonkers, you in Westchester will be making the decisions rather than some bureaucrat on the banks of the Potomac. And I have a lot more faith in you than I do in them.

The general revenue sharing program, for the \$30 billion that in 5 years will be distributed, has only 100 Federal employees. For every \$800 in the revenue sharing budget, its own budget, only \$1 goes for administrative costs or overhead, the best record in the Federal Government.

Now, despite the obvious success of general revenue sharing, it has faced some every strong opposition from within the majority party in the House as well as in the Senate. The reasons for this opposition from the many Democratic Congressmen in Washington are clear and very simple.

Democrats in Washington don't trust local government. Democrats in Wash-

ington want to tell you how to run your State and local affairs. Over the years, Democrats in Washington created big government. They have a stake in preserving it. They are firmly committed to it, and without a President who is willing to say no they would make it even bigger, more powerful, and more expensive.

I am willing to say no, not only by exercising the Presidential veto but by calling for positive, imaginative alternatives to government by Washington decree—alternatives like general revenue sharing.

Governor Carter has stated his opposition to revenue sharing in its present form, calling it a big hoax and a mistake. He says he opposes general revenue sharing with State governments, but he apparently had no trouble whatsoever in finding uses for the \$140 million in general revenue sharing funds that came to Georgia during his one term as Governor of that State. As far as I know, he didn't send a single penny of that big hoax revenue sharing back to Washington during those 4 years.

He knew in his heart, as most Governors know, that revenue sharing is vitally important. It is a vitally important resource of State governments as well as local units of government. We know that revenue sharing has been a major success at every level of government.

The legislation that I will be signing into law will make the program an even greater success. It will extend revenue sharing for another 3¾ years. It will provide \$25,600 million to State and local units of government. But most importantly, it will give to you here in Yonkers, in Westchester, and in the State an even greater voice in deciding how your tax dollars that go to Washington and come back to you will be spent at the local level.

The city of Yonkers is particularly appropriate for the signing of this bill. This city has 204,000 residents, and its distinguished government officials are committed to solving your own problems in your own way, with your own imagination, and with your own hard work.

I congratulate each and every one of you for your very recent breakthrough in selling many millions of dollars in Yonkers bonds on the public market. This is an encouraging sign of health in which thousands of cities and towns throughout America proudly share because of the success of the revenue sharing program.

With confidence that this legislation will make a good program even better, I will very shortly, right down there, sign into law the general revenue sharing extension act of 1976.

Congratulations to you, to those who worked on it, and good luck, and God bless you.

NOTE: The President spoke at 9:36 a.m. at a ceremony at Yonkers City Hall. In his opening remarks, he referred to Richard Rosenbaum, chairman of the New York State President Ford Committee,

Senators Jacob K. Javits and James L. Buckley, and Mayor Angelo Martinelli of Yonkers.

As enacted, the bill (H.R. 13367) is Public Law 94-488 (90 Stat. 2341).

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Remarks in White Plains, New York. October 13, 1976

Thank you very, very much, Dick Rosenbaum, Senator Javits, Senator Buckley, distinguished Members of the House of Representatives, Mayor Delveccio, distinguished guests, ladies and gentlemen:

At the outset let me express my deep gratitude and appreciation for this wonderful crowd, to see all of these tremendous young people from all of the high schools. And I am especially appreciative of the student body of Archbishop Stepinac.

But may I add one other comment. I had a wonderful day in the State of New York yesterday, in Flatbush and Brooklyn and Manhattan, and we have had a superb day so far in Yonkers and White Plains. But it's been made especially meaningful to me because I have had with me your two outstanding United States Senators—Senator Jack Javits and Senator Jim Buckley. But I have also been privileged to have the various Members of Congress who represent the various areas in the State of New York that I have been privileged to visit in this day and a half so far. They are quality people. Send them back, and give me some help by getting some more good people like that.

Mayor Delveccio said that White Plains has a great, wonderful, historical background. I was looking just the other day, in contemplation of coming to White Plains, that 200 years ago this month, young Americans fought the British Redcoats right in the Battle of White Plains.

In 1976 a different kind of battle is raging the length and the breadth of this country. In this battle the citizens of White Plains and all Americans are not fighting Redcoats but redtape and red ink, and we are going to win that battle, too. That's the basic difference between Plains, Georgia, and White Plains, New York.

My opponent from Plains, Georgia, makes the promises. You here in White Plains, New York, would have to pay for them, and you don't want to, so let's win this battle November 2.

One of the most important issues in this campaign is taxes. You have heard over the last few months all four sides of the same question, three of them from Mr. Carter. As a matter of fact, the liveliest debate of this campaign has been the debate between Jimmy Carter and Jimmy Carter. He says he's for a balanced budget, but he refuses to support the 60 vetoes that have saved the American taxpayer \$9-plus billion. He says America is weak militarily, but he wants to cut the defense budget by \$15 billion. Jimmy Carter says he's against inflation, but he supports the Democratic platform with \$100 billion to \$200 billion in new spending. He can't have it both ways, and we're not going to let him have it both ways.

He says he's for tax reform, but he reneged on his promise to provide specifics before the election. He says he's for higher taxes for people earning over \$14,000 a year. But I say—and listen carefully—I say the middle-income taxpayer is already overtaxed, overburdened, and underrepresented.

Jimmy Carter says he wants to tax the churches except on their church property. I am opposed to that, and I know you are.

I have been told few things upset New Yorkers as much as your skyrocketing taxes. I think that bothers people all over the country. The way to reverse that trend is not to expand Government spending but to cut it back. And thanks to my 60 vetoes, you know which candidate for President stands for cutting back expenditures, holding the line, and reducing your taxes—it is Jerry Ford.

Property taxes all over the country are climbing. But let me add this: They would climb a lot faster if we didn't have general revenue sharing, which I just signed into law in the city of Yonkers. Revenue sharing is the kind of a specific program to help all of you, to encourage all of you to solve your problems at the local level.

Let me tell you something that some of you may have forgotten. Last February, Jimmy Carter came out in favor of eliminating the deduction for mortgage interest on your Federal income tax return. Obviously, when the American people rebelled, he retreated back into the same old generalities.

Well, there's no such confusion about my stand on that deduction of mortgage interest. Jerry Ford supports that deduction. I did for 25 years in the House of Representatives, and I will do it for the next 4 years as President of the United States. I'm not going to let homeowners become the next endangered species. Jimmy Carter would.

To me, tax reform means tax reduction. Nine days ago, I signed into law a tax bill which extended the cuts that I recommended last year. But the Tax Reform Act of 1976 fails to include some other suggestions that I have proposed to give

the proper kind of tax relief that the taxpayers deserve. For example, I recommended that we increase the personal exemption from \$750 to \$1,000. That's a meaningful tax return to the middle-income taxpayer, and we're going to get it next year if we didn't get it this year.

You know we've heard a lot of talk in this campaign about compassion. Our Government must always show compassion toward the truly needy. The time has come, as I see it, to show as much compassion toward the people who make the generosity of Federal Government programs possible in the first place. But let me add this great, big, important, extra comment: How about a lot of compassion for the American taxpayer? That is what Jerry Ford stands for.

The people of White Plains work hard for every dollar that you make. You are the people who get up early every day, go to bed tired every night—quietly building a better life for your families and your fellow citizens. You pay the taxes, you obey the laws, you are the people who make possible the good things that government does.

So, when a Federal spending bill reaches my desk, I keep each and every one of you in mind. It may be congressional compassion, but it is your money. And that's why I have vetoed 60 bills sent down to the Oval Office from Capitol Hill, because they want to spend and spend and spend, and Jimmy Carter wants to spend and spend and spend. And I'm going to be there to be compassionate about your tax dollar, period.

The American people cannot afford to have leaders who try to be all things to all people. The President of the United States must be the same thing to all people.

When voters look at the record of the last 2 years, they will see that the United States has made an incredible comeback. Today, we are on the steady road to peace, prosperity, and trust. But on November 2 we'll reach a fork in that road. We can continue the policies and the leadership that have brought us back from a national nightmare, back from recession, back from international conflict, or we can take instead the same old path that leads to bigger government, higher taxes, and more inflation and more unemployment.

The choice to each and every one of you voters in this great State of New York, that's your choice. Through 2 difficult years, I have stood for the little taxpayer against the big tax spender. It's from your ranks that I come and on your side that I stand. On November 2, I ask that each and every one of you stand with me. I would appreciate your help.

NOTE: The President spoke at 11:02 a.m. at City Hall. In his opening remarks, he referred to Richard Rosenbaum, chairman of the New York

State President Ford Committee, and Mayor Alfred Delveccio of White Plains.

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Remarks in New City, New York. October 13, 1976

Thank you all. Thank you, Dick Rosenbaum. Senator Javits, Senator Buckley, Congressman Ben Gilman, distinguished guests, wonderful people from Rockland and Orange County:

I love you. Thank you. I am deeply, deeply grateful to the fine Congressman that you have from this congressional district. All of you know Ben Gilman. You know the job he's done. You know that he got the Otisville prison for you. You know he works day after day after day for you. Let me congratulate you, and reelect Ben Gilman.

In the last day and a half, I have had a great privilege to be in the State of New York. We started out in Manhattan, we went to Brooklyn, we were in the Flatbush. We, this morning, started in Yonkers, we were in White Plains, and now we are in Rockland County with all the fine people from Orange County along side of us.

But all during this time, where we have had great crowds like all of you here, I have had the privilege and the honor of having with me your two outstanding United States Senators—my good friends Jack Javits and Jim Buckley. And I want you to give them a great big show of appreciation. I can't express to them adequately my personal appreciation and gratitude.

But now let me express particularly to the young people who I see here from the various schools—elementary, secondary, and otherwise—their coming here and warmly welcoming their President. Let me say I couldn't think of a better way to spend a brisk fall afternoon than being in this particular county with all of you. I only wish that I could talk to each one of you individually.

Since I can't, let me tell you what I would do, what I would say to each of you if I could sit down with you over a cup of coffee or just a plain, old sandwich. Let me give you some straight talk right from the White House.

Mr. Smith, I would say to you, or to Mrs. Jones, you have been hearing an awful lot of words and a lot of numbers in the last several weeks. You have heard statistics, percentages, and conflicting claims. I don't believe those are the most important things in this campaign. Let me tell you what I believe and believe very deeply is the most important thing—and that is you and you and you and the 10,000 people who are here in Rockland County right now.

But each of you, between now and November 2, have some clear choices to make, and let me present some of the alternatives.

My opponent leaves a lot of the issues up in the air, but he is clearly in favor of additional Federal spending, Federal spending which he endorses of \$100 billion or \$200 billion each year.

I happen to believe—and this is where the choice is very clear—I happen to believe in restraining Federal spending, holding the lid on expenditures from the Federal Government so we can dampen the threat of inflation and let you keep more of your own hard-earned money in your pocket. Do you want your taxes raised so you can pay for those hundred billion dollar programs of Jimmy Carter? I think I heard that loud and clear.

Let me talk for just a minute about taxes. You know where I stand. I recommended last year a \$28 billion tax reduction which included a tax reduction of the personal income exemption, increasing that exemption from \$750 to \$1,000. Do you want that tax reduction? I think you want your personal income taxes cut. Jimmy Carter wants to raise them. Whose side are you on?

Mr. Carter wants to increase the tax or take away the deduction for those people who are buying homes who get a deduction from the interest payments on those mortgages. I am against Jimmy Carter on that. I am against Jimmy Carter's plan to tax church property other than the churches themselves. Whose side are you on?

Let me talk for just a minute. We want to have peace at home, a prosperous economy, less inflation, less Federal spending, less Federal taxes. But if we are going to keep peace at home, we have to have the peace throughout the world. I don't think you can keep the necessary military strength to meet the challenges around the world by cutting the defense budget \$15 billion. I think we have to have the Army, the Navy, the Air Force, the Marine Corps number one, and that's what Jerry Ford wants.

I am not willing to take a chance with a weakened national security. The United States represents leadership throughout the world. We are at peace today. Not a single young American is fighting or dying on a foreign battlefield today because we are strong, and we are going to stay that way. But the United States as a leader throughout the world has an obligation to stand tall and strong with certain allies and friends throughout the world. The Ford administration stands shoulder to shoulder with the State of Israel. We believe in its security and survival and independence.

But let me conclude with just this final observation. I have been your President for 2 years. Let's look at the record. Inflation is half of what it was when I became President. More Americans are working today than at any time in the history of the United States, but Jerry Ford won't be satisfied until every

American who wants a job has a job, period. And as Dick Rosenbaum said, when I became President there was a loss of faith and trust in the White House itself. I believe that in the last 24 months, we have restored that trust that is essential in the Oval Office. And I can assure you in the next 4 years, we will maintain that trust, that confidence, that candor, that openness, and that straight talk, and that is what the American people want.

But let me say this one final word to all of you. Between now and November 2, you have to make a very important choice. I need your help. This is a critical, crucial election. It is an election that will make the determination whether the United States goes down one path or down another. Our path—the path I represent—is a healthy economy at home, peace throughout the world, and trust in the White House. I want to represent you in your White House in the Oval Office in the next 2 (4) years. I need your help. Can I count on it?

Thank you very much. Good luck, and God bless you.

NOTE: The President spoke at 12:25 p.m. at the Rockland County Courthouse. In his opening remarks, he referred to Richard Rosenbaum, chair-

man of the New York State President Ford Committee.

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Remarks in Paramus, New Jersey. *October 13, 1976*

Thank you very, very much, Senator Cliff Case, distinguished guests, ladies and gentlemen:

As I came in from the highway into the plaza, I saw a wonderful sign. It said, "Jersey Loves Jerry." Let me reciprocate—Jerry loves Jersey.

Let me thank you all from the bottom of my heart for all of you being present. And I believe the fact that there's such a tremendous crowd here today puts to rest the allegation that the American people are not concerned about this election. You are concerned, the American people are concerned, and you all have good reason to be concerned. We're right, they're wrong, and we are going to win in Jersey and 49 other States.

You in Jersey care, and you care very deeply because you have a great stake in this election. Despite what my opponent tries to say and the hedging that he does, despite his attempts to take both sides of almost every issue, there is a clear choice between Jimmy Carter and President Ford.

The choice is: Do you want the Federal Government to spend more and more of your money in the next 4 years? Do you want the Federal Government to

interfere more and more in your daily lives in the next 4 years? I think the American people have been overtaxed, overburdened, and with Jerry Ford as President, we're going to change that in the next 4 years.

The American people have had enough doubletalk, fuzzy talk, doubtful promises. The American people want a government that will promise only what it will deliver and will deliver everything that it promises.

You have heard my opponent say that he is going to balance the Federal budget. And then the next thing, he turns around and he approves of, endorses, supports about all of these programs that are going to cost \$100 billion more each year. He can't get away with it. The American people won't let him get away with it, and you in Paramus won't let him get away with it.

I think you in New Jersey know how risky it is when a candidate says one thing on the campaign trail and then does something else when he gets in public office. You have been burned before here in New Jersey. You have learned what it's like when a candidate faces the voters with a smile and then turns his back on them later. You have learned it with every dollar you pay for your State income tax here in New Jersey.

There's a good alternative to that kind of political acrobatics. You know where I stand. I am for the little taxpayer and against the big tax spender.

But let's talk about taxes. Jimmy Carter wants to withdraw the income tax deduction of the interest on your mortgage payments. I am against his position; I am for the taxpayer. He wants to collect more money from you, from withdrawal of that income tax deduction. Jimmy Carter wants to tax your churches, except the church property. I am against that tax proposal. Jimmy Carter wants to increase Federal income taxes on all medium- and middle-income taxpayers on up. Jerry Ford wants to increase your personal exemption from \$750 to \$1,000. I want to cut your taxes. He wants to increase your Federal taxes.

I happen to believe that the best tax reform is tax reduction, and this administration holds the lid on Federal spending, cuts down on our national deficit, makes it possible for us to have an honest tax deduction. That is the kind of government you are going to get with Jerry Ford as President for the next 4 years and a better Congress to work with.

When I became President 2 years ago, America was deeply troubled. In the last 2 years America has made an incredible comeback. In 2 short years we have added 4 million new jobs in this country. In the last 2 years we have cut the rate of inflation in half. In the last 2 years we restored trust in the White House.

And let me emphasize right today that there is not a single young American

fighting and dying on foreign soil because of Ford foreign policy. We are at peace because we are strong. We are going to stay strong.

Jimmy Carter wants to undercut your Defense Department with a \$15 billion reduction in Federal spending for the Army, the Navy, the Air Force. That's not the way to keep the peace. That's not the way to be sure, to be certain that we have peace in America, we have peace around the world.

The Ford administration has achieved the peace, and we are strong and diplomatically skillful. And we are going to keep the peace in the next 4 years.

The American people want a steady, experienced hand handling our national affairs in our international relations, someone who knows a little bit about what is good for us at home as well as us abroad.

Let me say that I have had nothing but the finest experience in working with Cliff Case and his Republican associates in the House of Representatives. I am very impressed with the kind of programs that are good for New Jersey that Cliff Case and others have sponsored and made available through their ability and skill in the Congress.

But let me add this: Cliff does a super job—and I have a long list of things that have been accomplished—but Cliff Case could do more for New Jersey and you could do more for yourself with some of those good Republican candidates for the House of Representatives. Send them down to Washington.

Let me conclude with this observation and comment. We have heard a lot—a great deal, I might say—about trust in this campaign. But it is not enough for anybody to say trust me. Trust must be earned. Trust is not guessing what a candidate means; trust is leveling with the American people before the election about what you are going to do after the election. Trust is not being all things to all people; trust is being the same thing to all people. Trust is saying what you mean and meaning what you say.

In the 2 years that I have had the honor and privilege of being your President, by the progress that we have made at home, by the successes we have had abroad, by the way in which we have run the White House—open, candid, straight-forward—I think I have earned the trust of the American people. Now I need your help. We have to carry New Jersey. We have to carry a great State like New Jersey. And when I said that I had seen this wonderful sign on the way in—“Jersey Loves Jerry”—I want to reiterate what I said at the outset, that Jerry loves Jersey.

But to do what all of us have to do—you in New Jersey and your fellow Americans from all over the country—we have to win that election November 2. I need your help. We can win in New Jersey. We are going to win throughout

the United States. It will be a great day November 3 for America, 4 more years of Ford.

NOTE: The President spoke at 2:51 p.m. at the Garden State Plaza.

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Remarks in Union, New Jersey. *October 13, 1976*

THANK YOU all very, very much. These wonderful bands, I thank each and every one of you. Thank you very much.

It's great to be in Union. I saw a sign on the way here, a sign that means a great deal to me. The sign said, "Jersey Likes Jerry." Let me respond by saying Jerry likes Jersey. You're great.

I like Jersey because I know good people like Cliff Case, like Bob Kean, who I had the honor of serving with for a number of years. I like the kind of people that you have joined with me in my campaign. And I am in New Jersey because New Jersey is a very important State.

I have heard rumors, I hear talk, I read some stuff that's written that the American people are apathetic, they're not going to vote, they don't care about this election. Let me say very strongly, I believe the American people do care. You care because there is a clear difference between Mr. Carter and myself. He wants to increase your taxes. I want to reduce and decrease your taxes.

Mr. Carter wants to increase Federal spending. I want to hold the lid on Federal spending: Mr. Carter wants to undercut our national defense. I think that's wrong. America has to stay number one, and we will under President Ford.

So, when you come right down to it, there is a choice. The American people are concerned, they do care. And I say again, Jerry Ford loves Jersey just like Jersey loves Jerry.

Thank you very much.

NOTE: The President spoke at 5:05 p.m. at the Town and Campus Inn. In his remarks, he re-

ferred to Senator Clifford P. Case and Representative Robert W. Kean 1939-59 of New Jersey.

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Remarks at a President Ford Committee Reception in Union, New Jersey. *October 13, 1976*

THANK YOU, Matt, thank you, Cliff, thank you, Millicent, thank you, Dave, thank you, Tom Kean, thank all of you. You know, I have said it before, but I

want to say it again. I saw a sign down the road that says "Jersey Loves Jerry." But let me reciprocate—Jerry loves Jersey.

I owe a great debt of gratitude to the New Jersey delegation that went to Kansas City and came through with, I think, flying colors. And it depended upon the great organization and the support of Tom Kean, Cliff Case, Millicent, Matt, and everybody else. I thank you from the bottom of my heart.

Incidentally, I want you to make darned sure that you reelect Matt, that you reelect Millicent, you elect Dave, so we can have a far better Congress to help Cliff Case in the next 4 years.

You know out in Kansas City, in my acceptance speech, I said I was going to not concede a single State, a single vote, and we were going to campaign from the snowy banks of Minnesota to the sandy plains of Georgia; we are doing it. We were in New York yesterday. We had a great reception in Flatbush, in Brooklyn, in Manhattan. We have been in Yonkers and White Plains and Rockland and Orange County. We were in New Jersey, had two great stops, including this one, and I'm encouraged. I know, I feel we're going to carry New Jersey November 2, period.

Now, one of the most important issues in this campaign, especially here in New Jersey, is taxes. The people of New Jersey have already heard four sides of the tax issue—two from Governor Carter and two from Governor Byrne.¹

You know firsthand how risky it is when a candidate says one thing about taxes on the campaign trail and then does something else when he gets into office. You know what it's like when a candidate faces the voters with a smile—[laughter]—and then turns his back on them later. You've been burned before. I will just say this: I think Mr. Carter has tried to do the same thing to you. Let me give you some examples.

First, back in February, Mr. Carter said he wanted to eliminate the home mortgage interest deduction on your Federal income tax return. Not long after that he said maybe he wouldn't eliminate it. He said, as it stands now—nobody is sure, certainly Mr. Carter, just what he wants to do on this particular item.

Second, a few weeks ago, Mr. Carter suggested that he would raise income taxes for anybody from the mean- to the medium-income tax level, which means about \$14,000 per person. Now he says, that isn't what I meant. He says he has not studied the subject at all, but he will let us know how he really feels after he has been in office for a few months. Let me talk straight to you. That's too darned late. I think the people of New Jersey ought to know, along with 215

¹ Governor Brendan T. Byrne of New Jersey.

million other Americans, before the election what Mr. Carter really intends to do about your taxes after the election.

Third, Mr. Carter proposed putting a tax on all church properties other than the church building itself. He wants to tax church-supported schools, church-supported hospitals, church-supported orphanages, and church-supported retirement homes. Those activities are just as much a part of the church's work as the physical place of worship, and we shouldn't let him get away with that kind of a tax policy.

Fourth, Mr. Carter—his platform that he embraced and many people say he wrote—calls for between \$100 billion and \$200 billion in additional Federal spending, yet he talks about balancing the budget without raising your income taxes. He can't have it both ways. He can't talk about compassion and not have compassion for the hard-working, middle-income taxpayers in this country.

The American people have a big heart, but too many politicians mistake that big heart for a blank check. And I don't think the American people want to give that kind of authority to a candidate for the Presidency of the United States who says one thing on Monday, another thing on Tuesday. He is on both sides of the issue, and he cannot be trusted with this kind of a statement or that kind of a platform.

We have got to beat him in New Jersey and in Michigan and in 48 other States. It's not an act of compassion to prevent a young couple from buying a home because Federal borrowing for deficit spending sends interest rates up. It's not an act of compassion to put generations of Americans deeply in debt and mortgage their future before they are born. You worked very hard, every one of you here and all of those several thousand outside. You worked very hard for the money that you earn. Your tax dollars should work just as hard for you as you worked for them. You know who pays the bill for every campaign promise. You know when the bills come due you get stuck with them, predicated on false promises before an election.

In the last 2 years I vetoed some 60 various bills sent down to the Oval Office from Capitol Hill. My vetoes saved you \$9½ billion. I am darned proud of that record. And if we had had more stalwart Republicans up there to help with those vetoes, we could have saved you another \$16 billion. So, that's a good reason why we ought to change the Congress and get the right kind of a Congress for the next 2 years.

Mr. Carter talks about tax reform. I think the best tax reform that we can talk about is tax reduction—cut spending, cut taxes, keep more of your own money.

For the last 10 years now Federal spending has grown at an alarming rate, thanks to an overtaxing, overspending, overburdening Congress.

The budget that I submitted to the Congress last January sought to cut the rate of growth in Federal spending by 50 percent. I asked for a \$28 billion tax reduction, coupled with a \$28 billion reduction in Federal spending. The Congress sent me a \$10 billion tax reduction and an \$18 billion increase in Federal spending. That's going the wrong way, and that's another reason why we have got to change this Congress in this election.

The most meaningful tax reduction, the one you understand the best, the one that helps the middle-income taxpayers the most, is an increase in the personal exemption from \$750 to \$1,000. If you take a family of three children, a husband and wife, one taxpayer—that family gets, under my proposal to increase the personal exemption by \$250—that family would get \$1,250 more, more, more in tax reduction. That's the kind of a meaningful tax reduction that you ought to get, 215 million Americans ought to get. And that's what President Ford proposed, and that's what he will propose in January of next year as President of the United States.

As I have said before, the middle-income taxpayer gets shortchanged. He has been shortchanged for the last 22 years. He has been shortchanged by a Congress controlled for 22 years by the Democratic Party.

Mr. Carter calls our tax laws a disgrace. Well, he ought to look back and see the pages of history. What political party has controlled both the House and the Senate for the last 22 years? They have passed every tax law; they have passed every loophole. I think you know where to put the blame. Let's make sure, darned sure we get more good Republicans from the State of New Jersey to go down and help us with this tax problem in the next session of the Congress.

We have got less than 3 weeks to go. It hardly seems possible. It is a very crucial 3 weeks, but the decisions that people make in the State of New Jersey, New York, Michigan, and 47 others, those decisions will determine the direction of the American people in our great country for the first 4 years of our third century.

Mr. Carter and his party platform offer more promises, more programs, more spending, more taxes, more inflation, and more unemployment. I say the Government is already too big, too powerful, too costly, too remote, and too deeply involved in your personal life. I want your Government to be made your servant, not your meddling master.

I am a candidate for the Presidency because I have a deep conviction and

faith, a deep inward feeling that the American people want to go the direction we want to take them. And, therefore, I come to the great State of New Jersey to ask for your help and your support. New Jersey is a key State. New Jersey can make the difference whether we have enough electoral votes on November 2 to win.

And so, let me just conclude by saying I know we will win in New Jersey. Jerry loves Jersey, and I have a good feeling that Jersey loves Jerry like Jerry loves Jersey.

Thank you very much.

NOTE: The President spoke at 5:20 p.m. at the Town and Campus Inn. In his opening remarks, he referred to Representatives Matthew J. Rinaldo and Millicent Fenwick, Senator Clifford P. Case, David

F. Norcross, Republican senatorial candidate, and Thomas Kean, chairman of the New Jersey President Ford Committee.

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Memorandum of Disapproval of the Bill Providing for the Relief of Day's Sportswear, Inc. *October 14, 1976*

[Dated October 13, 1976. Released October 14, 1976]

I AM withholding my approval from H.R. 4654, a bill "For the relief of Day's Sportswear, Incorporated."

H.R. 4654 appears to relate to the same claim as presented in *B.A. McKenzie and Co., Inc. v. United States*, United States Customs Court #74-6-01520. Another known similar claim on behalf of another importer is pending in the case of *George S. Bush and Co., Inc. v. United States*, United States Customs Court #73-9-02693.

The United States Government is presently defending these two cases and the United States Customs Court is expected to rule. Briefly, the litigation involves the applicability of certain customs duties.

I believe that the courts should be permitted to rule in these cases in due course. I am also concerned that my approval of H.R. 4654 could inappropriately predispose the court's ruling. Further, H.R. 4654 would constitute preferred treatment of one importer against others having similar claims against the Government.

Finally, I believe that private relief legislation is appropriate only after all other avenues of available administrative and legal recourse have been pursued.

For these reasons, I am withholding my approval from H.R. 4654.

GERALD R. FORD

The White House,
October 13, 1976.

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**Remarks Upon Signing the Allied Wartime Veterans
Medical Benefits Bill. *October 14, 1976***

GOOD MORNING, everybody.

It's a great privilege and pleasure for me to welcome the distinguished Members of the Congress and representatives of various veterans organizations, ethnic groups, and the like. It's a great day here in the Rose Garden, and good luck. And it's nice to see you all.

But I'm especially pleased to have the opportunity to recognize the contributions of many valiant Americans of Polish and Czech ancestry who fought for freedom.

I think this legislation that I'm signing today provides that any person who served during World War I or World War II as a member of any armed force of the Government of Czechoslovakia or Poland and participated while so serving in armed conflict with an enemy of the United States shall by virtue of such service be entitled to certain medical benefits. This legislation requires that each person who is so entitled shall have been a citizen of the United States for at least 10 years.

For two centuries a very fundamental principle of American policy toward other nations has remained unchanged. The American people support the aspirations for freedom, independence, and national self-determination of people everywhere. We do not accept foreign domination over any nation.

The people we recognize with this legislation today fought alongside of us for these ideals. This year, as American citizens, they joined with us in our Bicentennial celebration. Their wartime service is an inspiration and a lasting contribution to the strength of America and to America's commitment to freedom.

Thank you very much.

NOTE: The President spoke at 11:57 a.m. at a ceremony in the Rose Garden at the White House.

As enacted, the bill (H.R. 71) is Public Law 94-491 (90 Stat. 2363).

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**The President's News Conference of
October 14, 1976**

THE PRESIDENT. Good evening. Will you please sit down.

**STATEMENT ON THE SPECIAL PROSECUTOR'S INVESTIGATION OF THE PRESIDENT'S
FINANCIAL RECORDS**

[1.] I do have a brief opening statement. When I was chosen to be Vice President, I underwent the most intensive scrutiny of any man who has ever been selected for public office in the United States. My past life, my qualifications, my beliefs all were put under a microscope and in full public view.

Nonetheless, all of you here tonight and many in our listening audience are aware of allegations that came forth in recent weeks involving my past political campaigns. As I have said on several occasions, these rumors were false. I am very pleased that this morning the Special Prosecutor has finally put this matter to rest once and for all.

I have told you before that I am deeply privileged to serve as the President of this great Nation. But one thing that means more to me than my desire for public office is my personal reputation for integrity.

Today's announcement by the Special Prosecutor reaffirms the original findings of my Vice-Presidential confirmation hearings. I hope that today's announcement will also accomplish one other major task—that it will elevate the Presidential campaign to a level befitting the American people and the American political tradition.

For too many days, this campaign has been mired in questions that have little bearing upon the future of this Nation. The people of this country deserve better than that. They deserve a campaign that focuses on the most serious issues of our time—on the purposes of government, on the heavy burdens of taxation, on the cost of living, and on the quality of our lives and on the ways to keep America strong, at peace, and free.

Governor Carter and I have profound differences of opinion on these matters. I hope that in the 20 days remaining in this campaign, we can talk seriously and honestly about these differences so that on November 2 the American people can make a clear choice and give us—one of us—a mandate to govern wisely and well during the next 4 years.

Ladies and gentlemen, I will be glad to answer your questions.
Fran [Frances Lewine, Associated Press].

QUESTIONS

ALLEGATIONS CONCERNING THE PRESIDENT AND WATERGATE INVESTIGATIONS

[2.] Q. Mr. President, would you also like to set the record straight tonight on an issue that John Dean¹ has raised? Did you at any time use your influence with any Members of Congress or talk to lobbyist Richard Cook about blocking a 1972 Watergate break-in investigation by Wright Patman's House Banking Committee?

THE PRESIDENT. I have reviewed the testimony that I gave before both the House and the Senate committees, and those questions were asked. I responded fully.

A majority of the members of the House committee and the Senate committee, after full investigation, came to the conclusion that there was no substance to those allegations. I don't believe they are any more pertinent today than they were then, and my record was fully cleared at that time.

WEAPONS SALES TO ISRAEL; INCREASE IN WHEAT PRICE SUPPORTS

[3.] Q. Mr. President, in the past several days, you've made two major decisions, one to sell Israel concussion bombs, sophisticated weaponry, even though their request had been hanging fire for many months. You also decided to give the wheat price support the 50-percent boost, even though the Agriculture Department said the day before that there was no economic justification for these. Can you state flatly that none of these decisions were designed to enhance you politically?

THE PRESIDENT. Categorically, those decisions were based on conditions that I think justified fully the decisions that I made. In the case of the four items that were cleared for delivery to the Government of Israel, those items have been on the list for consideration. Those items have been analyzed by the various departments in our Government, and the net result was that I decided, after discussing the matter with my top advisers, that those items should be cleared for the Government of Israel.

Q. But on what justification do you give such weapons, and why did you bypass the Pentagon and the State Department?

¹ Counsel to the President 1970-73.

THE PRESIDENT. I made the decisions, and that decision is mine. And they may have been a little disappointed that they didn't have an opportunity to leak the decision beforehand. And I felt that it was a decision only for the Commander in Chief, and I made it as such, and based on recommendations that were made to me by responsible people, the top people giving me advice in this regard.

On the other question, regarding the increase in the loan rates, in May of 1975, I vetoed an agricultural bill on the basis that I thought it was not good legislation at that time. But I said at that time, in the veto message, that I would be very watchful to make certain that if conditions changed we would increase the loan rate.

In May of 1975, for example, the price of wheat was about \$3.35 a bushel. Recently, the price of wheat was about \$2.79 a bushel. There was a very severe drop. And in order to make certain that wheat will be marketed properly and the farmer will have an opportunity to market that wheat which he produced—at our request of full production—and in order for the farmers, the wheat farmers, to have adequate financing to proceed with their full planting of winter wheat, I decided that it was in the best interest of full production for the American farmer that those loan rates be increased. They were based on a commitment I made in May of 1975 and changed conditions today.

INVESTIGATION OF THE PRESIDENT'S FINANCIAL RECORDS

[4.] Q. Mr. President, in the course of the Watergate Prosecutor's investigation of your income taxes, your taxes were made public—leaked to the press at one point. And in those taxes it showed that at one point you took money from your political organization and used over \$1,000 for a family vacation to Vail and several hundred dollars for personal clothing. I wonder if you would address the propriety of action like that.

THE PRESIDENT. Well, I think you have to bear in mind that, as I recall, those initial payments for airline tickets and for the others were made out of what we call the Fifth District account. And within, I think it was a week or 2 weeks at the most, I reimbursed that account fully in both cases.

Q. In the case of reimbursement, the tax information also showed that your personal bank account, as it were, went down in the red something like \$3,000, but it was soon reimbursed. And there was a question left as to how you reimbursed that \$3,000.

THE PRESIDENT. Well, that was my next paycheck. [*Laughter*]

I think a few people in this country have written checks and then waited until

the end of the month and then mailed the checks and—maybe you haven't done it, but I suspect a few people have—[*laughter*]*—*and we mailed those checks after we had the money in the bank account. But I wrote the checks before the end of the month. It's a perfectly legitimate thing, and there was never an overdraft in my account.

THE PRESIDENT'S GOLFING VACATIONS AND TRAVEL

[5.] Q. Mr. President, there have been some questions a few weeks ago about your taking, accepting golfing vacations and travel from lobbyists and corporations. It's been quite some time since these allegations were made. I'm wondering if you can clear this up tonight. Just how often, how many times, did you accept free travel and golfing vacations from lobbyists and corporations?

THE PRESIDENT. To the best of my recollection, the ones that came to light are the ones that are involved. There may be one or two more, but I can't recollect the instances.

ALLEGATIONS CONCERNING THE PRESIDENT AND WATERGATE INVESTIGATIONS

[6.] Q. Mr. President, if I may follow up on Frances Lewine's first question, I don't think you quite answered the question. The question is not about your testimony at the time specifically, it's about the new allegations from John Dean that, in fact, you did discuss six times with Mr. Cook the matter of blocking the investigation, by the House, of Watergate. And at the time you said—at the time that you went through your investigation that you've mentioned—you said that you did not recollect such discussions. Do you now recollect discussions with Mr. Cook on that subject?

THE PRESIDENT. I will give you exactly the same answer that I gave to the House committee and to the Senate committee, and that answer was satisfactory to the House committee by a vote of 29 to 8 and, I think, a unanimous vote in the Senate committee.

The matter was fully investigated by those two committees, and I think that's a satisfactory answer. And I'm not going to pass judgment on what Mr. Dean now alleges.

Q. Mr. President, would you oppose—on the Dean matter would you oppose a review of White House tapes and investigation by the Special Prosecutor that's been called for by Congressman Conyers and Congresswoman Holtzman?

THE PRESIDENT. That's a decision for the Special Prosecutor to make. I have never, at any time in the just previous investigations or at any other time, inter-

ferred with the judgment or the decision of the Special Prosecutor, and I wouldn't in this case.

FEDERAL SPENDING AND THE ECONOMY

[7.] Q. Mr. President, you've been going up and down the country—and most recently in New York and New Jersey—saying that things are getting better and things are being improved and there is a definite difference between you and the other candidate, Mr. Carter.

There is a 7.8-percent unemployment rate. The Commerce Department today announced that retail sales fell by 1.1 percent. The stock market took a nose-dive. Mr. Friedman, a conservative economist, says nothing that neither you nor Mr. Carter offers will cause a change in the rise of Federal spending. And finally, Mr. Greenspan, your own adviser, predicted today a continued 6-percent inflation rate.

THE PRESIDENT. Let me set the record—

Q. I don't understand how things are getting better.

THE PRESIDENT. Let me set the record straight. There is a very distinct difference between Federal spending proposals by President Ford and those of Governor Carter. Governor Carter has endorsed, embraced, sponsored 60-some new programs that will cost \$100 billion a year at a minimum and \$200 billion, probably, on an annual basis. So there is a distinct difference between Governor Carter on the one hand and myself. He wants to spend more, and I want to hold the lid on Federal spending.

Now, let's talk about the status of the economy. In the first quarter of this calendar year, the rate of growth of GNP was 9.2 percent. It fell in the second quarter to 4.5 percent. It looks like the third quarter will be in the range of about 4 percent. I have checked with the responsible advisers to me in this area, and they expect a resumption of the rate of growth of GNP in October, November, and December of over 5 percent and probably closer to 6 percent. And they expect that same rate of growth in 1977.

We've had a pause. But we could not sustain the rate of growth of the first quarter of 1976, when it was 9.2 or .3. We are now coming out of the dip or the pause that we had, and I believe that all, or practically all economists recognize that the economy is continuing to improve and will get better in this quarter and in 1977.

FEDERAL ASSISTANCE FOR METROPOLITAN AREAS

[8.] Q. Mr. President, in keeping the lid on Federal spending, are you willing to accept the continued physical and social deterioration of the big cities

of this country? A Marshall plan sort of approach has been offered. Would you, if elected, move in that direction?

THE PRESIDENT. I would not embrace any spending program that is going to cost the Federal Treasury and the American taxpayers billions and billions and billions of dollars. We have good programs for the rehabilitation of our major metropolitan areas. I just signed the general revenue sharing bill. We fully fund the Community Development Act. We fully fund the mass transit legislation. We have a number of very good programs that are in operation today.

And about 3 months ago I appointed the Secretary of HUD, Carla Hills, to head a Cabinet Committee on Urban Development and Neighborhood Revitalization. That committee is working together very closely so that we get the full benefit out of all the Federal dollars now available to help our inner cities and major metropolitan areas.

I think we're doing a good job, and to all of a sudden just throw money in doesn't make any sense, because you're bound to have more deficits, more taxes, and more inflation. So, I think we ought to make the programs we have today work, and they are working and will solve the problem.

THE PRESIDENT'S CAMPAIGN TRAVEL

[9.] Q. Mr. President, a review of your travel logs from this fall and last fall shows that for a comparable period last fall you spent exactly as much time on the road—15 days last fall—when there was no campaign and no election than you have this fall when there is a hotly contested Presidential election. Doesn't this lend a little bit of credence to Governor Carter's charge that you've been kind of hiding in the White House for most of this campaign.

THE PRESIDENT. Tom [Tom De Frank, *Newsweek*], didn't you see that wonderful picture of me standing on top of the limousine with, I think, the caption "Is he hiding?" The truth is, we are campaigning when we feel that we can be away from the White House and not neglect the primary responsibilities that I have as President of the United States. I think you are familiar with the vast number of bills that I've had to sign. We've done that. That's my prime responsibility, among other things.

We do get out and campaign. We were in New York and New Jersey earlier this week. We're going to Iowa, Missouri, and Illinois between now and Sunday. We will be traveling when we can. But my prime responsibility is to stay in the White House and get the job done here. And I will do that, and then we will campaign after that.

VOTER APATHY

[10.] Q. Mr. President, how do you account for—at this rather late stage in the campaign—so many voters are telling pollsters that they remain undecided, and many more are saying that they may not bother to vote at all?

THE PRESIDENT. It is disturbing that there are these statements to the effect that the voters are apathetic. I believe we have tried to do everything we possibly can to stimulate voter participation. I want a maximum vote in this election on November 2. And in every way that I possibly can, we're going to stimulate it between now and November 2.

I can't give you an answer why there is apathy. I'm going to do what I can to overcome that apathy, and naturally, I hope to convince 51 percent of the people in enough States so that we get enough electoral votes so that we can continue the policies of trust, peace, and growing prosperity in the United States.

THE PRESIDENT'S GOLFING VACATIONS AND TRAVEL

[11.] Q. Mr. President, do you think it's proper for a Member of Congress to accept a golfing vacation or a golfing weekend trip, and would you, now that you're in the White House, accept such a trip?

THE PRESIDENT. I have not accepted any such trip since I've been Vice President or President. And when I was in the Congress, I've done as I said in the limited number of instances that have been in the papers.

PRESIDENTIAL DECISIONMAKING

[12.] Q. Mr. President, it's been said that in your debate with Jimmy Carter your statement on Eastern Europe demonstrated a certain lack of ability to think fast on your feet. Without intending to once again review the merits of that debate, how important, in your judgment, is it for a President to think fast on his feet to do his job properly?

THE PRESIDENT. I think it's vitally important for a President to make the right decisions in the Oval Office. And I think I've made the right decisions in the Oval Office. I have admitted that in that particular debate, I made a slip in that one instance. But I'd like to compare that one slip with the documented instances that we found in Governor Carter's presentation a week ago, when he made some 14 either misrepresentations or inaccurate statements.

And while we're on that subject, I'd like to say that I feel very strongly that the attitude that he took on that occasion, where he said America was not strong, where he said the United States Government had tried to get us into another Vietnam in Angola, and where he said the United States had lost respect

throughout the world—I don't approve of any candidate for office slandering the good name of the United States. It discourages our allies, and it encourages our adversaries.

PRESIDENTIAL CAMPAIGN DEBATES

[13.] Q. Mr. President, on the debates, two of them have happened, and one is to come. Do you have any thoughts, perhaps, on changing the rules for the third debate? And also, do you feel impeded since you are President and know more than you can say in public?

THE PRESIDENT. About the only improvement I would make is to get Mr. Carter to answer the questions. [*Laughter*]

THE PRESIDENT'S REMARKS ON EASTERN EUROPE

[14.] Q. Mr. President, could you tell us why it took you 6 days and four clarifications before you finally admitted that you had, in fact, made a mistake in the debate in your remarks on Eastern Europe?

THE PRESIDENT. I think it took some thoughtful analysis because, as someone may have noticed, there was a letter to the editor in the New York Times a day or 2 ago by a very prominent ethnic, a man by the name of Janovitz, as I recall, who said that my answer was the right one. But it all depends on how you analyze the answer.

But I wanted to be very clear, to make certain that the Polish Americans and other ethnics in this country knew that I knew that there are some 30 Soviet divisions in Poland and several of the other Eastern European countries.

On the other hand, I want to say very strongly that anybody who has been in Poland, for example, as I have in 1975, and seen the Polish people—the strong, courageous look in their face, the deep feeling that you get from talking with them—although they recognize that the Soviet Union has a number of divisions occupying their country, that freedom is in their heart and in their mind, and they are not going to be dominated over the long run by any outside power.

Now, we concede for the time being, the Soviet Union has that military power there. But we subscribe to the hopes and the aspirations of the courageous Polish people and their relatives here in the United States.

Q. Mr. President, if they tried to overthrow that power, would you look favorably on helping them in some way?

THE PRESIDENT. I don't think we should answer that question. I don't think it's going to happen. I don't think we should respond to that kind of a question in a press conference.

PRESIDENTIAL CAMPAIGN DEBATES

[15.] Q. Mr. President, you've had some harsh words for your opponent's performance in the second debate, and yet every public opinion survey that I've seen showed that you lost that debate—and it was one that was on foreign and defense affairs, which are supposed to be your strong suit. Do you agree that you lost that second debate and, if so, why? Or, if you think you won it, why do you think that happened?

THE PRESIDENT. I think there is a poll that shows the conclusion you have just set forth. I don't necessarily agree with that. But there were some very specific answers that were given by people who were interrogated afterwards. And if you look at that list of special questions that were asked of people who responded, it showed that in those cases—and I think they were the very fundamental ones on specific issues—knowledge, firmness, strength—that a majority of the people thought I had prevailed.

NEW NATURAL GAS PRICES

[16.] Q. Mr. President, the Federal Power Commission has authorized the increase in the price of new natural gas. That's something you favored. The original estimate was that it would cost the American consumer \$1.3 billion a year. Now we're told that it may be as high or higher than \$3 billion a year. Do you think that that price increase should be rolled back or should it stand?

THE PRESIDENT. The fundamental issue is, if you don't get a price increase you aren't going to have any new natural gas. So the question is, are you willing to pay for enough gas to heat our homes and to heat our factories so people will have jobs? We have to give an incentive to people to go out and find new natural gas sources, and if you don't give them that incentive, there won't be any heat for their homes or heat for their factories, and we will lose the jobs.

Q. Are you willing to risk another jolt to the economy from this large price increase?

THE PRESIDENT. I think a bigger jolt would be to have the jobs lost and the houses cold.

PRESIDENTIAL CAMPAIGN THEMES

[17.] Q. Mr. President, earlier in your campaign you said you intended to stress positive themes, yet in your most recent campaign appearances you have concentrated on attacking Governor Carter. Tonight you accused him of slandering the name of the United States. Do you think you've done all you

can to elevate the level of this campaign, and can we expect you to continue the way you have been in the last week or so?

THE PRESIDENT. I think it's very positive to talk about tax reductions, as I have recommended to the American people that we increase the personal exemption from \$750 to \$1,000. That's very positive, very affirmative, and certainly in contrast to what Mr. Carter wants, which is to increase taxes for people with a medium- or middle-income level, which is about \$14,000. That's a distinct difference. I'm on the affirmative side; he's on the negative side.

Q. Mr. President?

THE PRESIDENT. Yes, Sarah [Sarah McClendon, McClendon News Service]. [Laughter] You knew I'd get around to you.

THE PRESIDENT'S GOLFING EXPENSES

[18.] Q. Thank you. When you were in Congress, you filed an income tax return for those years saying that you had very little money left over. Like a lot of us, you had about \$5 left over for spending money, I believe.

I wonder if you had included your golf fees and your dues at Congressional and Burning Tree. I believe you belonged to both of them, didn't you? And they're very expensive. You must have been strapped for funds. Who was helping you pay those large golfing expenses? You golfed three to five times a week, I believe.

THE PRESIDENT. Well, first, that's an inaccurate statement, and you know it, Sarah. [Laughter] When you are the minority leader of the House of Representatives and on the job, you don't play golf three to five times a week. I'm sorry that you said that, because you know it's not true.

Now, let me just say that I paid for those golfing dues or charges by check. And the committee and everybody else—the Internal Revenue Service, the Joint Committee on Internal Revenue Taxation, the FBI, and now the Special Prosecutor—have all looked into those in depth and in detail, and they have given me a clean bill of health, and I thank them for it.

INCOME TAX LEGISLATION

[19.] Q. Mr. President, the Washington Post had an article today which noted that Ford Motor Company paid no taxes last year, paid no taxes the year before. Do you think that's fair, and what are you going to do about it?

THE PRESIDENT. Well, I think it's proper to remind the American people that those tax laws which are on the statute books were written by the Democrats, who

controlled the Congress for the last 22 years. If they're wrong, it's the fault of the majority party in the Congress.

Q. What are you doing to change that?

THE PRESIDENT. We have made recommendations to the Congress over the last year and a half for some modifications in the income tax legislation, but how that would affect that particular company, I can't give you the answer.

PRESIDENTIAL CAMPAIGN DEBATES

[20.] Q. Mr. President, in a recent speech—I'm afraid I don't recall where—you cut a line from your text in which you said something about the campaign should not be just a quiz show to see who gets to live in the White House for the next 4 years. And I assume you stand by that advance text. Were you trying to suggest that the debates have not been as effective as they should have been and they have not kept up the level of the campaign?

THE PRESIDENT. Well, Ann [Ann Compton, ABC News], you know that you read the advance text. I hope you are listening when I speak. You know, on many occasions, I add a little here and I take something else out. Oftentimes, I don't get those texts until maybe a half, three-quarters of an hour before I make the speech. So, I make the judgment myself. Those are the recommendations of the speechwriters.

Now, I didn't think that was an appropriate thing to say, and therefore, I didn't include it in the text that I gave to the meeting that you referred to.

Q. Well then, let me put it this way: Do you think the debates have helped keep up the level of the campaign?

THE PRESIDENT. I think the debates have been very wholesome. I think they've been constructive. I was the one that initiated the challenge. I believe that they ought to be an institution in future Presidential campaigns. I really believe that, and for that reason I didn't think that sentence in that prepared text, which I deleted, reflected my own views.

INVESTIGATION OF THE PRESIDENT'S FINANCIAL RECORDS

[21.] Q. Mr. President, thank you. A little while ago you gave us an idea of how you balance your family budget—you kite checks. [*Laughter*]

THE PRESIDENT. Oh, no, I don't. No, I don't. I've never been overdrawn, young lady. [*Laughter*]

Q. The question is, then, how is it that you are able to live on from \$5 to \$13 a week in cash—as has been reported by the Washington Post and the Wall Street Journal—in 1972?

THE PRESIDENT. I repeat that the Internal Revenue Service, the FBI, the Joint Committee on Taxation, two committees in the House and in the Senate, and an overwhelming majority of the Members of the House and Senate believe the testimony. They went back and checked every one of those income tax returns from '73 back 6 years, and they gave me a clean bill of health. And now it's been reinvestigated for the fourth time by the Special Prosecutor, and he concurs with the previous investigations. Those are the facts of life. I write checks. [Laughter]

Thank you all. Thank you very much.

Ms. LEWINE. Thank you.

NOTE: President Ford's thirty-eighth news conference began at 7:31 p.m. in the Old Executive Office

Building. It was broadcast live on radio and television.

899

Statement Announcing Intention To Request Funding for the Cultural Challenge Grant Program.

October 14, 1976

IN THE last decade there has been mounting interest and participation in the arts. This popular demand has led to dramatic growth in the number and quality of cultural institutions and activities throughout the country. With that has come more widespread financial support, which now includes all levels of government and various parts of the private sector—most notably, business, foundations, and individuals. Together, they are contributing more money and time to the arts at higher levels than ever before.

This pattern of decentralized, diverse, widely shared responsibility fosters the vitality of the arts and affords them essential freedom. It has been established by men and women everywhere in the country who have come to appreciate, as I have, what the arts can mean in their individual lives and the lives of their communities. Accepting responsibility for this public interest, they have encouraged and shared, with leadership and dollars, in grassroots efforts to advance our cultural legacy, foster artistic creativity, and make the arts more readily available to all. We can take pride in this record, and we must work together to extend it.

In the past 10 years the Federal Government has provided leadership and funding, serving as a catalyst in this American renaissance. Today there are many Federal and quasi-Federal programs which can assist artists, dancers, photog-

raphers, craftsmen, architects, planners, art researchers, historic preservationists, museums, libraries, educational institutions, and other public and private organizations.

As House minority leader and as President, I strongly supported the development of the National Endowment for the Arts. My budget in 1976 included \$82 million in Federal funds for the Endowment, and I have already requested \$87 million in Federal funds for 1977. The funds designated for the Endowment provide a small but critical part of the country's total support for the arts. Even more important, however, they stimulate support from others by providing grants that must be matched with other moneys. In the past year nearly 4,500 grants were made, reaching a great many local communities in every region of the country.

Today, I take pleasure in announcing that I intend to seek full funding of the Cultural Challenge Grant program of the National Endowment for the Arts. This program would raise the level and broaden the base of on-going financial support for the arts from non-Federal sources. I will request \$12 million for this program for FY '77, \$18 million for FY '78, and \$20 million for FY '79—a total of \$50 million over the 3 years. These Federal funds must be matched at least 3 to 1 by non-Federal funds for the arts. Thus, the Cultural Challenge Grant program holds out the prospect of \$200 million in new funds for cultural institutions over the 3-year period.

This program will enhance the public and private sector partnership that now helps support the arts. The program is consistent with my position that the Federal Government should encourage, but not completely subsidize, the arts. I fear that total subsidization might bring with it the attendant problems of control and censorship.

Over the years, my wife, Betty, has been an influence on me in many areas, including the arts. She has showed me not only the need for creativity in the arts but also how the arts can enrich the lives of our children for the rest of their lives.

As a people we have recognized that achievements in the arts are vital to us all. We must work together to ensure their future. The country's cultural institutions are critical to this pursuit—providing centers for excellence and inspiration for everyone, but especially for the individual artist of this and future generations, without whom there can be no art at all. Providing for the long-term stability of these institutions, enabling them to become even more vigorous, and extending their activities to an ever larger portion of our people, is strong in the public interest.

In America's third century the arts can help us more than ever before to fulfill the humane values of our country's dedication—extending the vision, enriching the minds, and raising the spirits of all Americans and all peoples everywhere.

900

Remarks Upon Presenting the Presidential Medal of Freedom to Martha Graham. October 14, 1976

Martha and distinguished guests:

It's wonderful to have you here tonight. And let me say at the outset, I apologize for being a little late. I had a friendly engagement with some of my friends from the press here. [*Laughter*]

But it's nice to have you here. And particularly in this Bicentennial Year, I think each of us has celebrated the spirit and the vitality of the United States. And the person we are honoring tonight, Martha Graham, has been doing that for as long as most of us can remember.

When Martha Graham began her career in modern dance—and I have become a better authority on it since I married Betty—[*laughter*—she has not only raised people's eyebrows but she has raised sights. A true pioneer, she continually broke new ground and challenged old assumptions.

Her innovations were so original that one startled traditionalist was reported to have said, "How long do you intend, Martha, to keep this up?" I think today America is very thankful that she is still keeping it up, and we congratulate her.

Martha Graham has not only expanded the horizons of modern dance but she also moved inward to convey the deepest types of emotion. In doing so, she created what one critic labeled, and I quote, "an original way of communication." Long before the phrase "body language," Martha, entered our vocabulary, Martha Graham was using the human form to express human feelings.

Martha Graham's name, we all recognize, has become synonymous with modern dance. In addition to her work as a performer and a choreographer, she has provided inspiration and counseling to generations of young people, including Miss Betty Bloomer of Grand Rapids, Michigan. [*Laughter*]

Her pupils learn that self-discipline is not an obstacle to creativity, but a vehicle; that hard work does not distract from inspiration, but rather allows it to reach its fullest dimension. And most of all, they learn to meet a situation with courage and complete honesty.

Over the years as a great dancer, Martha Graham has received many, many

awards. Tonight, she receives an award as a truly great American. Her visits abroad have given the word real meaning—"ambassador." She has shown very clearly to all the world what is possible when personal genius is allowed to flourish under artistic and political freedom.

In America the arts have blossomed, and we are justly proud of the great strides that we have made. Last year in the arena of dance alone, there were more than four times as many professional dance companies as there were in 1965.

But the continued survival and the continued growth of the arts in America requires more than just the genius of the artist. It also requires the foresight, the generosity of both public and private sectors in order to have adequate support.

Tonight, I take pleasure in announcing that I intend to seek full funding for the Cultural Challenge Grant program over the next 3 years. This will provide \$12 million in new Federal moneys for the arts next year and approximately \$50 million over the next 3 years. Because these grants will be made on the basis of one Federal dollar for every three raised from other sources, it can serve to generate \$200 million in new support for the arts.

Many, many people in this audience tonight were instrumental in providing the financial support that enabled Martha Graham's dance troupe to inspire America and truly to inspire the world. Let me assure you that we in the Federal Government are going to do our part, Martha, to encourage the Martha Gramams of the future.

Tonight, however, there is only one Martha Graham and all of America is very, very proud of her. And now, Martha, would you please join me here.

Martha, it gives me a great deal of pleasure to present to you one of our Nation's highest honors, the Medal of Freedom. And let me read, if I might, the citation before I actually put the sash in the appropriate place. The citation reads as follows:

[At this point, the President read the citation, the text of which follows:]

THE PRESIDENT OF THE UNITED STATES
OF AMERICA
AWARDS THIS
PRESIDENTIAL MEDAL OF FREEDOM
WITH DISTINCTION
TO
MARTHA GRAHAM

Dancer, teacher, and choreographer, Martha Graham has captivated the world with her magic and has left a legacy of imagination with all who have witnessed her talent. Her energy, creativity and daring have opened new doors of expression in dance. Her followers and friends adore her, and her country, the United States of America, is proud to proclaim her a brilliant star and a National treasure.

Martha and I, as well as Betty, decided that we wouldn't try to pin this medal on her tonight, but we did think you might like to see it, and it will be hers. And we are honored that you're here, and it's a great tribute to you. And all Americans are deeply grateful for your many, many contributions, Martha.

MISS GRAHAM. Mr. President and my dear, very dear Betty, this is an overwhelming moment, and there is very little to say even if you have an Irish tongue that my grandmother said was hung in the middle. [*Laughter*]

It's a little difficult for me to talk on such an occasion, but America has stood with me. I did not leave; I did not go to any country until I felt I had something to say from here, and there is one woman here tonight who gave me my first chance. She signed a conote. She was a comaker on a bank, the National City Bank. Her name is Frances Steloff.

I had to have two comakers, and then I paid it off. And it was \$1,000, and it was a tremendous amount of money. And then, about 2 years later, I had only one comaker. Then I didn't have to have any. And then, finally when I didn't borrow any more, they came and asked me why I didn't borrow. [*Laughter*]

But when the President said this lady had said, "How long will you keep this up, Martha?"—it is dreadful, dreadful. She had seen me in Denis-Shawn¹ during the floating period. And I am deeply grateful to that period, but time does not stand still. She said this to me. I said, "I will keep it up as long as I have an audience."

I am dependent on those people to support me, and I can only say that they have, individually and my Government. And I am so happy about your news tonight and your endowment of the arts, because there is a saying in Asia, "They had no poet so they died." In other words, the city, the country had no one to sing or to dance their imagination and their dreams and their faith, so they disappeared from the memory of man.

And I like to feel that those of us who are dancers have contributed toward a singing voice that will go on for a long time, and this is the first wonderful big step, and I thank you.

THE PRESIDENT. May I offer a toast on behalf of Betty and myself to our superstar and a person that truly deserves the Medal of Freedom—Martha Graham.

NOTE: The President spoke at 10:13 p.m. at a ceremony in the State Dining Room at the White House.

¹ Ruth St. Denis and Ted Shawn, American dancers and choreographers.

901

Statement on Signing Legislation Establishing an Office of the Inspector General Within the Department of Health, Education, and Welfare. *October 15, 1976*

I HAVE approved H.R. 11347, a bill that would establish within the Department of Health, Education, and Welfare, an Office of the Inspector General to conduct and supervise audits and investigations relating to the programs and operations of the Department.

Secretary Mathews and I share the concern of the Congress and of the American people for the honest and efficient conduct of government programs. Prior to the passage of this legislation, the Secretary had moved to establish a centralized investigative arm within his own office to give effect to this concern. The new law will now enable me to appoint an Inspector General for the Department.

Under the Secretary's supervision, the Inspector General will lead the Department's investigative activities. He will keep the Secretary and the Congress appropriately informed on the necessity and progress of action needed to correct program abuse or assure the economical and efficient management of the Department's programs.

In implementing this law, I want to emphasize my complete agreement with the intent of the Congress, as expressed in the bill, that the Inspector General and his Deputy be appointed solely on the basis of integrity and demonstrated ability, without regard to political affiliation.

NOTE: As enacted, H.R. 11347, approved October 15, 1976, is Public Law 94-505 (90 Stat. 2429).

902

Letter to the President of the International Olympic Committee on the 1980 Winter Olympics.

October 15, 1976

Dear Lord Killanin:

The Olympic Games are a major symbol of international goodwill and universal hopes for world peace. Throughout their modern history, however, the Olympics have been periodically threatened by narrow political interests. Recent events portend another era of peril for the Olympic movement.

I assure you that the United States does not condone this abuse of the Olympic

ideal. In a recent ceremony with American athletes who participated in the Summer Games, I pledged that every team recognized by the International Olympic Committee will be welcomed at Lake Placid in 1980. I repeat that pledge to you.

I would hope that the IOC will continue to urge all nations to refrain from political interference in the Games.

Sincerely,

GERALD R. FORD

[Lord Michael Killanin, President, International Olympic Committee, Hotel Princess Sofia, Place Pio #12, Barcelona, Spain]

903

**Statement on Signing the Veterans' Education and
Employment Assistance Act of 1976.**

October 15, 1976

I AM signing into law today S. 969, the Veterans' Education and Employment Assistance Act of 1976. This bill marks a new era in our Nation's programs of education assistance for veterans.

S. 969 brings to an end the GI bill program enacted a decade ago for post-Korean and Vietnam-era veterans as were GI bill education programs for World War II and Korean veterans at the termination of those conflicts. This legislation makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the all-volunteer Armed Forces. The termination of the existing GI bill program will not affect the eligibility of Vietnam veterans already discharged or those presently serving in the Armed Forces.

Effective January 1, 1977, individuals entering the Armed Forces will be eligible to participate in a new contributory program under which the Veterans Administration will make matching contributions for those veterans who wish to pursue educational programs.

S. 969 also provides for an 8-percent increase in GI bill benefits, effective October 1, 1976, and contains a number of provisions that will aid the Veterans Administration in improving the administration of its education programs and eliminating abuses.

S. 969 purports to provide a mechanism for possible extension of the new contributory education program beyond the authorized period of 5 years. This

would require affirmative action by the President in recommending an extension subject to a "one-house veto" provision. As I have stated on previous occasions and reiterate again, provisions for review of executive actions by resolutions of one House are unconstitutional. In the context of the instant legislation, this provision—a nullity—is severable from the balance of the bill.

NOTE: As enacted, S. 969, approved October 15, 1976, is Public Law 94-502 (90 Stat. 2383).

904

Remarks at Iowa State University in Ames.

October 15, 1976

Thank you very, very much, Governor Bob Ray, Dr. Parks, Mrs. Peterson, Jill Wagner, Congressman Grassley, Mayor Fellingner, Ken Fuller, students, faculty, and guests:

It's great to be in Ohio—Iowa State. [*Laughter*] You know we Michiganders have Ohio State on our mind. But it is great to be at Iowa State University. This university has a long, long tradition of excellence in agricultural education, training, and research, and you have a pretty good football team, too. You score a lot of touchdowns. I congratulate you. But we're going to score a lot of touchdowns for the United States of America in the next 4 years, also.

Just 3 days ago, the Department of Agriculture released its October forecast predicting the second largest wheat crop and the largest corn crop in American history. This new record will be achieved in spite of serious drought conditions in many areas of this great country.

I am delighted to be in the heart of America to see some of that bumper crop being harvested this afternoon. We are all proud of you wherever we come from in the United States of America. This record corn crop is a graphic illustration of an overriding nonpolitical fact that transcends all the noise, the rhetoric of this election year. America is blessed with farmlands and farm know-how unequaled anyplace on this Earth. The corn belt and the other great growing areas of our bountiful country are renewable, nondepleting assets worth far more than all the diamonds in Africa, all the oil of the Middle East, and all the gold in Fort Knox.

Today, a single American farmer can feed 56 people. No other nation comes close to that record. The Soviet Union has one-third of its people engaged in agriculture and they frequently fall short of their needs.

American agriculture has maintained an average of a 6-percent increase in productivity year after year. No other segment of our society, or any other society, has been able to do that well. And I congratulate you on behalf of 215 million Americans.

You have been so successful because you've used your own ingenuity, your own inventiveness, your own initiative to produce the finest and the most abundant food and fiber throughout the world. If you are to continue meeting the needs of this country and our trading partners throughout the world, you must continue to have this kind of freedom—freedom from the meddling hand and the long arm of an arbitrary, autocratic government.

What are the results of this policy? Average farm income over the last 3 years has been higher than ever before in the history of America. For the farmer in Iowa, total net income on the average has risen from about \$6,900 in 1965 to about \$14,800 in 1975. You no longer have heavy Government-held surpluses hanging over the market depressing your prices, costing the taxpayers \$1 billion a year—or \$3 million a day—in storage and handling fees.

Instead of storing grain in Government bins, we are selling it in a free market in record volume. Farm exports hit a record of \$22 billion in the last fiscal year, our sixth straight year of record farm exports. And I am glad to say that exports are expected to be about \$22 billion again in this fiscal year.

We will export nearly 3 billion bushels of wheat and feed grains in this marketing year, an alltime record. We did it without any Government board selling your exports, as some countries do. And under a Ford administration, we will never have that kind of arbitrary action—a Government board selling your hard work, hard-earned products from your farms. We did it without any international reserve where this country could be outvoted 100 to 1.

We have worked out a long-term agreement, as all of you know, with the Soviet Union, which commits them to buy at least 6 million metric tons of grain every year for the next 5 years. In dollars and cents, that's at least \$1 billion worth of grain sales every 12 months. This agreement gives us a stable, long-term foreign market. It assures us of a more consistent flow of payments from abroad. It assures the American farmer that the Soviet Union will be a steady customer whether they have good crops or bad.

In the past, Soviet grain purchases have been erratic, secretive, unpredictable, causing prices to fluctuate widely, leaving the American farmer on the short end. The Soviets have already bought over 6½ million metric tons of wheat and corn for the first year of this agreement. To date, we have sold the Soviet Union more than 8 million metric tons of grain and soybeans from this year's

crop. By this arrangement the private marketing system has not only been preserved but it has been strengthened.

We are moving in the right direction toward greater prosperity for the American farmer, and we will keep moving in that direction in the next 4 years. These good sales, good prospects, are the fruits of free trade. They are also the benefits of peace and aggressive, successful negotiations. They are the just rewards of the Iowa farmers' hard work, and we appreciate it.

In Kansas City last August, I said that we would never use the bounty of America's farmers as a pawn in international diplomacy. Today, I repeat that statement. I also said in Kansas City there will be no embargoes, and repeat that statement here in Ames today.

There is a fundamental difference between Mr. Carter and me on that question. In an interview published on August 8, 1976, Mr. Carter was asked, would you favor using our economic leverage to get the Russians to cease and desist from aggressive actions? Mr. Carter replied, "Yes, I would." In our second debate, he told 90 million Americans that a new Arab oil embargo would amount to an economic declaration of war and that he would instantly respond with a total embargo against the offending country, shipping them nothing, including food. Those are the things he said about his plans for your products in the future.

But more important is what Mr. Carter didn't say. When he made his acceptance speech at the Democratic Convention in New York City there was no mention of farm policy, not once in 40 minutes. At the Republican Convention, I said, "We will carry out a farm policy that assures a fair market price for the farmer, encourages full production, leads to record exports and eases the hunger within the human family." I think you like my comments better than his. That is a pledge that I was proud to make, a pledge that I will proudly carry out for the next 4 years.

Despite the good overall record I mentioned earlier, some farmers—yes, too many—are having a hard time of it right now. Cattle prices are way too low. Wheat prices are too low. The weather has not been a very good friend to a lot of farmers in Iowa, Nebraska, South Dakota, Minnesota, and other parts of our great country. I've already done something about the cattle situation. I tried earlier this year to halt the importation of foreign beef through a free trade zone in Puerto Rico. Diplomatic, administrative, and legal roadblocks prevented us from carrying out what I wanted to do to help the cattle producer. I then went to the Congress, which failed to act on my request to curb these imports.

Therefore, last week in Dallas, Texas, I signed a Presidential proclamation

[4469] to limit beef imports and thereby help the American beef industry. I have repeatedly said that I would not under any circumstances permit the United States to become a dumping grounds for foreign beef.

I've already done something about Government loan rates for grains. On Wednesday, I ordered an increase in the Government loan rates for wheat from \$1.50 to \$2.25 a bushel; for corn, from \$1.25 to \$1.50. These adjustments, as you know far better than I, will permit the bumper crops to be marketed in a much more orderly way, and will help farmers to properly finance next year's plantings.

And I've also done something about the great tradition of the American family farm. Earlier this year I called upon the Congress to increase the Federal estate tax exemption. I fought hard for it and was proud to sign it into law a few days ago. This increases the estate tax exemption from \$60,000 to the equivalent of \$175,000. This new law also permits estate tax payments on family farms to be stretched out over an extended period. These tax reforms will go a long, long way to help save the family farm from the Federal tax collector.

But I must add one other comment. Congress failed to go along with my proposal to permit tax exempt transfers from spouse to spouse, but next year I'm going to put the pressure on the Congress and will keep it there until they do something about this situation.

I'm also trying to do something about the drought. [*Laughter*] I've just signed legislation authorizing the establishment, for the first time in American history, of a national policy to develop new methods of combating the crippling drought conditions that have cut farm production far too frequently. Under this new program, the Commerce Department will conduct research and develop means of modifying the effects of severe weather changes to protect the farmer.

This new program, with some extra funding, is in addition to the increases that I approved for other agriculture research and development in this year's budget at a time when we were faced with serious financial problems in the Federal Government, at a time when I kept the lid on, or actually cut back a number of Federal programs. But agricultural research has produced wonders for America and the world, and we must continue making sound investment in research and development in agriculture in the future for us and those around the world.

Those are some of the things that our Government can and should do to help you. The Government should never try to dictate how farmers should farm. I have faith in the ability of America's farmers to make their own decisions, to determine what and how much they will plant. As long as I am your Presi-

dent, agriculture will have an understanding friend in the White House in the Nation's Capital.

Of course, Mr. Carter says he's a farmer's friend, too. But what kind of a friend is he? Mr. Carter wants to go back to the old discredited Government meddling in the farmer's affairs. He wants to build up a stockpile of farm surpluses once again. He has proposed a stockpile of 25 million metric tons of grain with half of it to be held in Government bins.

His underlying philosophy of Government interference won't change. His philosophy is best exemplified by the Humphrey-Hawkins bill, embraced by Mr. Carter, which envisions export controls and licensing unprecedented in peacetime economy.

Mr. Carter does have a strange way of changing his accent as he moves about this great country. [*Laughter*] In California, he tries to sound like Cesar Chavez. In Chicago, he sounds like Mayor Daley. In New York, he sounds like Ralph Nader. In Washington, D.C., he sounds like George Meany. Then Mr. Carter comes to the farm belt. He becomes a little old peanut farmer. [*Laughter*]

The President has to take the same position wherever he goes, and that's the kind of a President I've been and will continue to be for the next 4 years.

When the Agriculture Department was created by Abraham Lincoln in 1862, its motto was "Agriculture is the foundation of manufacturing and commerce." It was true then; it is true today. The farmer is the mainspring of the American economy. U.S. farm exports have provided the foundation for our economic recovery, which is now underway. It has taken mankind countless centuries to reach a worldwide population of 4 billion, but just 35 years from now there will probably be 4 billion more people living on this Earth.

We initiated a World Food Conference in Rome in 1974, and one of our delegates at that time was Senator Bob Dole, who will be the next Vice President of the United States. At that Conference, experts concluded that the United States, Canada, and Australia combined—the three biggest food-exporting countries in the world—could not hope to meet the food demands of the world if the population doubled in that short a time. Yet we must. The American farmer can do anything he sets out to do if the Government will just leave him alone.

The Ford administration and the American farmer share the same ideals, the same confident approach to the future, the same belief in our land, and the same concern for the undernourished and starving millions throughout the world. You and I together stand for hard, productive work, for honesty, straight talk, and basic morality. You and I together stand for lean, responsive,

fiscally sound government. And you and I together, working for the next 4 years, can make this great country better and better and better. Let's do it.

We believe in a minimum of bureaucratic control over farming. We believe in agricultural policies geared to a free market economy. We believe that the farmer himself should decide how to use his land, his capital, and his labor for a profit.

We don't believe that profit should be capriciously taxed away from him or his family. The choice is clear. Government is already too large, too powerful, too costly, and too deeply involved in the lives of every American. Mr. Carter cannot carry out his promises without bigger bureaucracies and higher taxes.

I want a new generation of freedom in America, freedom for all of us to do what we want to do and what we ought to do. The kind of an America you want and I want is an abundant America, one of record farm income, record crops, record exports, and record acreage back into production, and freedom for the farmer to make his own decisions and to reap the rewards of his hard labor.

I have come here today to ask for your support and for your vote on November 2. You know where I stand. I will not let you down.

Thank you very, very much.

NOTE: The President spoke at 12:22 p.m. outside Fisher Theatre on the Iowa State University campus. In his opening remarks, he referred to Dr. Robert Parks, president, and Jill Wagner, student body president, Iowa State University, Mary Louise

Peterson, president of the Iowa Board of Regents, Representative Charles E. Grassley of Iowa, Mayor Lee Fellingner of Ames, and Kenneth R. Fuller, Republican congressional candidate.

905

Remarks in Ames, Iowa, Upon Signing Legislation Extending the Emergency Livestock Credit Act. *October 15, 1976*

Distinguished guests, ladies and gentlemen:

I'm glad to be in the Iowa version of the Rose Garden. [Laughter] I don't think they can say we are hiding out in the Rose Garden in Washington, D.C., because we're in the beautiful new complex of the Iowa State School of Veterinary Medicine, and it is a pleasure and a privilege to be here.

But it's also a great pleasure and a privilege to be able to sign this legislation which extends the Emergency Livestock Credit Act through September 30, 1978.

American agriculture and our livestock industry in particular is the envy of

the world. We all want to keep this industry strong so that our farmers and ranchers can continue to provide the food that America needs.

This legislation provides a useful and necessary program to ensure that the livestock industry can obtain the credit it needs in order to return to a healthy and a stable position.

This action and other actions I have recently taken, such as signing the much needed packer bonding legislation and the imposition of quotas on meat imports, will help to strengthen the American livestock industry. I consider it critically important that we continue to provide the relief to the livestock industry while it is experiencing the current economic adversities.

The bill, which I will sign very shortly, will assist livestock producers, provide stability in the marketplace, and help to ensure an adequate supply of meat for the American consumer at reasonable prices.

Thank you all very much.

NOTE: The President spoke at 3:23 p.m. at the Iowa State University College of Veterinary Medicine.

As enacted, the bill (H.R. 15059) is Public Law 94-517 (90 Stat. 2446).

906

**Telephone Conversation With Senator Robert Dole
Following the Vice-Presidential Campaign Debate.
October 15, 1976**

THE PRESIDENT. Bob?

SENATOR DOLE. Yes, Mr. President.

THE PRESIDENT. You did great. And Betty and I, on our anniversary, are very, very grateful for the anniversary present, because your performance was superb. And we are all applauding and very, very proud of your accomplishments.

SENATOR DOLE. I am very proud of you, Mr. President, and I hope I did a good job. I had a bad cold, but I guess my voice held out long enough.

THE PRESIDENT. You were confident. You hit hard but hit fairly. And you differentiated the issues, I think, very effectively between their platform and ours, between our promises and theirs, where we have consistently said that taxes ought to be reduced, and they have, as we all know, played both sides of the street. You have done a fine job in showing that they are the big spenders, and we are the ones that think we should spend responsibly and effectively.

And I think the most telling point you made—there was no answer by Senator

Mondale—we are at peace, and our foreign policy has achieved it and will maintain it. And the comment you made to the effect that not a single American is fighting or dying on foreign soil tonight ought to give great reassurance to the American people that our policy of peace through strength is the highest policy of morality in foreign policy.

SENATOR DOLE. Mr. President, I meant that, and I tried to say it as best I could. And I think a great deal of that credit goes to you. We are at peace for the first time in a long time. We are having the election at peace. And I think it means a great deal to Americans, mothers and fathers and young people, and it is due to your leadership, Mr. President.

I wish I had thought of some of the other things you mentioned, but you always think of things—[*laughter*]—

THE PRESIDENT. Let me say, Bob, you thought of a lot of very effective points. And you have some great friends here from the State of Illinois—we are in Joliet—Chuck Percy, Bob Michel—

SENATOR DOLE. I can hear Chuck laughing. Hi, Chuck, how are you doing?

THE PRESIDENT. John Anderson is here, and you have the Illinois delegation standing tall and strong with you, and we are all very proud. And the best to Elizabeth.

SENATOR DOLE. I have Governor Connally—he is standing upstairs talking to Fred. And Mrs. Connally and Elizabeth went upstairs to proclaim victory.

THE PRESIDENT. I think you did.

SENATOR DOLE. If they didn't do it, I was going to do it. [*Laughter*] Thank you very much, Mr. President. Goodby.

THE PRESIDENT. You were great, Bob. Goodby.

NOTE: The President spoke at 9:50 p.m. from the Sheraton Joliet Inn in Joliet, Ill., to Senator Dole, who was in the stage manager's office at the Alley Theater in Houston, Tex.

907

Remarks During an Illinois Whistlestop Tour.

October 16, 1976

[1.] JOLIET (9:11 a.m.)

Thank you very, very much, George. Senator Chuck Percy, your next Governor, Jim Thompson, other distinguished Members of the House, and some wonderful guests who are going to be traveling with us through the heartland of Illinois:

Let me say Betty and I are deeply grateful for the warm welcome we had last night and the wonderful welcome here today. Our anniversary was a success because of all of you. Thank you.

As George said, Abraham Lincoln was here in Joliet a few years ago. I think it's significant that Abraham Lincoln, when he was in Joliet, made his famous speech that a house divided against itself cannot succeed. Jimmy Carter wants to divide America. President Ford wants to heal America, and that's where we are going.

Betty and I are here and starting this wonderful trip through Illinois because we want your help and we want your vote. We've restored trust to the White House. We've turned the economy around, and we have peace. And not a single young American is fighting or dying on foreign soil today, and that's progress. And we want your help.

As I listen and I read about Jimmy Carter, I can't help but come to the conclusion—and I think you will, too—that Jimmy Carter will say anything, anywhere to be President of the United States. When he's in California, he sounds like Cesar Chavez. When he's in Chicago, he sounds like Mayor Daley. When he's in New York, he sounds like Ralph Nader. When he's in Washington, D.C., he sounds like my good friend George Meany. He wanders, he wavers, he waffles, and he wiggles. He isn't the man you want for President of the United States.

Let's talk very quickly about three subjects: Taxes—President Ford believes that the best tax reform is tax reduction, and Jerry Ford recommended we're going to get eventually an increase in the personal exemption from \$750 to \$1,000. That's a real, meaningful, important tax reduction, and that's what we stand for.

What does Jimmy Carter want to do with your taxes? Jimmy Carter says he will increase taxes for all people with a median income and on up, which means that anybody who's earning \$14,000 a year or more is going to have his taxes increased under Jimmy Carter. Do you want that?

Jimmy Carter says he's going to increase Federal spending. He has embraced the Democratic budget and the Democratic platform, which will call for tax increases or spending increases of \$100 billion a year.

Then he says he's going to reorganize the Federal Government. What did he do in Georgia? He was Governor for 4 years. He increased the number of State employees by over 25 percent. He increased spending by over 50 percent. He increased the bonded indebtedness of Georgia by over \$200 million. Could you trust him to reorganize our Federal Government?

But let's talk about defense. Jimmy Carter on two occasions said he would cut

the defense budget by \$15 billion. And then he had the gall to tell the American people, 90 million of them, last week that he never said it. Can you trust him? Jimmy Carter says he's going to cut defense spending, and then he says America can't be weak any more. He can't have it both ways.

There was a great, great President a few years ago named Teddy Roosevelt. Teddy Roosevelt once said, "Speak softly and carry a big stick." Jimmy Carter wants to speak loudly and carry a flyswatter.

Jimmy Carter has said America is not respected any more. I said that was slandering the United States and 215 million Americans. What is the truth?

Let me very quickly just quote from some of the distinguished leaders around the world and what they say about the United States. The Prime Minister of Ireland said, "It isn't"—he said, "The ties that were forged between us are today stronger and firmer than ever."

President Giscard of France said, and I quote, "I do not think there has ever been a time when contacts between our two Governments have been more frequent, consultation more sustained, and cooperation more goodwilled."

And then the Chancellor of the Government of West Germany said, "At no time during the past 30 years have relations between our countries been closer and cooperation more trustful and direct than today."

Jimmy Carter doesn't know what he's talking about. I don't think you should let him tear down the respect and the admiration that people around the world have for this great country. We are respected, and when he says that we are not respected he is slandering the United States of America.

Well, Betty and I are delighted to be here. We thank you for the warm reception. We need your help. We want your votes. We are going to carry Illinois and win November 2.

Thank you very much. Have a good day. We love you. We will be back. And in the meantime, make darn sure you reelect George O'Brien, Jim Thompson, Sam Young, and all of the good Republicans in the State of Illinois.

Thank you.

[2.] PONTIAC (10:40 a.m.)

THANK YOU all very, very much.

It's great to be in Pontiac, Bill Harris' hometown. Let me introduce some of the very special guests we have on "The Honest Abe" special: Senator Chuck Percy; Jim Thompson, the next Governor of the State of Illinois; of course you know Bill Harris—where is Bill? There he is; and then an old favorite of yours of many, many years, Les Arends; the next Congressman from this district, Tom

Cochran; and then a favorite of mine—[*laughter*—Betty Ford; Ed, how are you? Ed Madigan, a fine, fine Congressman. Reelect him, too.

Betty and I are delighted to be in Pontiac, Livingston County. We had a good start in Joliet this morning. I couldn't help but notice that Abe Lincoln made a very famous statement in the State of Illinois just a few years ago when he said, "A house divided against itself cannot stand." Jimmy Carter wants to divide America. President Ford wants to heal America, and that's where we're going.

Betty and I are here in the great State of Illinois because we want your help, we need your vote. With your help we are going to carry Illinois on November 2. And we hope and trust that we can do it emphatically and successfully and win that election for the good of America on November 2.

I can't help but make the observation that Jimmy Carter will say anything, anywhere to be President of the United States. When he's in California, he sounds like Cesar Chavez. When he's in Chicago, he sounds like Mayor Daley. When he's in New York, he sounds like Bella Abzug. When he's in Washington, D.C., he sounds like George Meany. And when he comes to Illinois, he sounds like just a little old peanut farmer. [*Laughter*] He wavers, he wanders, he wiggles, and he waffles, and he shouldn't be President of the United States.

Now, let me just give you what I think is the reason Betty and I can come here and honestly ask you for your support. Since I have been President, we have restored trust and confidence in the White House. Since I have been President, we have turned the economy around, and the United States today is on a surge toward the kind of prosperity that we expect and will have in the 4 years under President Ford. And thirdly, the United States is at peace. And I am proud to say that not a single young American is fighting or dying on any foreign soil under this administration.

One other very important point—taxes, spending, national security. Jerry Ford believes the best tax reform is tax reduction, and that's why I recommended to the Congress that they increase your personal exemption from \$750 per person to \$1,000. The Congress didn't do it, but we're going to pressure them to do it in 1977, and we will keep on pressuring them until they do it. Tax reduction is the best tax reform.

Now, what does Jimmy Carter want to do about your taxes? He had an interview a few weeks ago, and he said that he would increase taxes on all taxpayers from medium income on up, and that means that 50 percent of the taxpayers in the United States will have a tax increase under Jimmy Carter.

So, the issue is clear. President Ford wants to reduce the middle-income

taxpayers' obligations to the Federal Government. Jimmy Carter says he will increase them. So when you go to that ballot box, think about how you can get a fair shake in the Federal tax payments that you have to make.

One other point: I think we've got to put the lid on Federal spending. Jimmy Carter has embraced 60-some spending programs that will add \$100 billion to \$200 billion annually to the Federal expenditure.

Jimmy Carter also says he wants to reorganize the Federal Government. Let me point this out: When he was Governor of the State of Georgia, 4 years, he increased the number of State employees by 25 percent or more; he increased the spending by the State of Georgia by 50 percent or more; he increased the bonded indebtedness of the State of Georgia by over \$200 million. Can you trust him with that record to reorganize the Federal Government? I don't think you can.

Let me say this: Jimmy Carter, on two occasions, has made public statements that he would cut defense spending by \$15 billion. Of course he denied it, but the facts are he did say it. He wants now to cut defense spending \$7 to \$9 billion, or \$5 to \$6 billion. At the same time, he says the United States is not strong enough. Now, he can't have it both ways.

And let me remind you of a statement made by a great President of the United States, Teddy Roosevelt, who once said, "Speak softly and carry a big stick." With the kind of cutbacks in defense spending that Jimmy Carter wants to make, Jimmy Carter, in effect, is saying speak loudly and carry a flyswatter. [*Laughter*]

Jimmy Carter has said that the United States, our country, is not respected anymore around the world. That's an inaccurate statement. Every single leader in the free world has said that relations between the United States and their country is good, never been better. And when Jimmy Carter says that your country and my country are not respected, Jimmy Carter is slandering 215 million Americans and the United States of America, and we shouldn't stand for it and we won't.

And so I say to you, Betty and I are delighted to be in the Land of Lincoln, here in Pontiac, Bill Harris' hometown.

I urge you to elect Jim Thompson, your next Governor. I urge you to elect Bill Harris. I urge you to elect Tom Cochran. I urge you to give the support to the kind of record of performance that we have given to you in the last 2 years. And I say Betty and Jerry won't let you down during the next 4 years.

Thank you very much.

[3.] BLOOMINGTON (12:10 p.m.)

GOOD MORNING.

Betty and I are delighted to be in the great State of Illinois, in particular in Bloomington and McLean County. Thank you very much.

Let me introduce some good friends of yours, good friends of ours. First, your Senator, Chuck Percy; then the next Governor of the great State of Illinois, Jim Thompson; and your good friend, an outstanding Congressman, Ed Madigan, and then George Lindberg, your State comptroller—reelect him. And then Betty and I are delighted to have on this train trip, the old “Honest Abe” special—we have Les Arends, who served you so well. We’re delighted to have him—Les.

Let me say a word or two. As I said, Betty and I are so delighted to be in Illinois. We’ve had a wonderful morning, and now we start a great afternoon.

Betty and I celebrated our 28th anniversary last night up in Joliet, Indiana—Illinois. We are here because we feel that in the last 2 years since I’ve been your President, we have turned things around in this great country. We have restored trust, honesty to the White House. We’ve turned the economy around from the worst recession in 40 years to a real program of prosperity for the future in America. We’ve achieved the peace, and we have the military capability and the diplomatic skill to keep the peace. And I remind you, as I think all Americans recognize, that not a single young American is fighting or dying on any foreign soil tonight or today.

So, this record of trust, prosperity, and peace, I lay alongside the record of Jimmy Carter and his promises. And Jimmy Carter, it seems to me, as he goes from one part of the country to the other, says anything, anywhere, to get to be President of the United States.

When Jimmy Carter is in California, he tries to sound like Cesar Chavez. When Jimmy Carter is in Chicago, he tries to sound like Mayor Daley. When Jimmy Carter is in New York, he tries to sound like Bella Abzug. And when he comes to this great farm land of Illinois, he tries to sound like just a little old peanut farmer. [*Laughter*] He wanders, he wavers, he wiggles, and he waffles. I think the American people deserve better than that.

The American people are concerned about taxes. President Ford believes the best tax reform is a tax reduction. President Ford recommended to the Congress that the Congress increase your personal exemption from \$750 to \$1,000. The middle-income taxpayer has been shortchanged, and we’re going to change it.

Jimmy Carter—he wants to increase Federal taxes for all people from medium income on up. That means that 50 percent of the taxpayers of this country would get a tax increase under Jimmy Carter. Do you want that?

Jimmy Carter wants to spend more Federal money, your taxes that you've worked hard [for], earned. Jimmy Carter embraces the Democratic platform which calls for 60-some new programs that would add \$100 billion minimum per year to expenditures by the Federal Government. Do you want that?

Jimmy Carter says he's going to reorganize the Federal Government. Well, let's look at his record in Georgia. After 4 years in Georgia, he increased State employees by over 25 percent, he increased spending in the State of Georgia by over 50 percent, and he added \$200 million to their State indebtedness. With that kind of a record, can you imagine what he would do to your Federal Government?

All I can say is, if you like Jimmy Carter, you like to pay taxes. I don't think you want Jimmy Carter as your next President of the United States.

You all recognize that we have the peace. We have a strong Army, Navy, Air Force, and Marines. Jimmy Carter wants to cut the Federal budget for the Defense Department by \$15 billion. I don't think that's the way to keep America number one. I think that would weaken America in our efforts to maintain the peace.

Jimmy Carter wants to slash the programs that have kept the peace for us and will keep it in the future. With that kind of a reduction of spending for the Army, the Navy, the Air Force, and Marines—it reminds me of a statement once made by a great American President, Teddy Roosevelt, who said, "Speak softly and carry a big stick." Jimmy Carter, with that kind of a reduction for our military establishment, is speaking loudly and wants to carry a flyswatter. [*Laughter*]

Jimmy Carter has said the United States is not respected anymore. Heads of government from all over the world believe that the United States is number one, the United States is the leader in the world. When Jimmy Carter says that the United States, your country and my country, is not respected, he is slandering America, and I don't like it.

So Betty and I are delighted to be with all of you in this great part of the United States. We have worked hard. We think we have a record of performance. We are here to ask for your help and to ask for your vote on November 2. Thank you very, very much.

Let me say, before I have an opportunity to come down and shake hands with all you wonderful folks from Illinois, that your Senator, Chuck Percy, is going to introduce some outstanding citizens from all over the country who have come and joined us at Joliet, who are traveling with us on this trip from Joliet down south. So, while some of us start over here, Chuck is going

to introduce them. And I thank them for joining Betty and me, indicating their support for what we've done and what we will do to make a better America. We will be down there.

[4.] LINCOLN (1:29 p.m.)

HI, everybody. It's great to be in Pontiac. I have just been corrected—Bloomington and Lincoln. [*Laughter*]

Let me say on behalf of Betty that we have had a delightful day, starting with Joliet, and we're—great to be here. It's just wonderful to see such a tremendous crowd. Ed Madigan, your outstanding Congressman, tells me there are more people here than in the community itself. Thank you very much.

Before saying a word or two—Betty and I reiterate our appreciation—let me introduce some people who have joined us in this trip through the heartland of Illinois. First, I'd like to introduce to you the next Governor of the State of Illinois, Jim Thompson. Let me add how grateful I am that Chuck Percy, your outstanding United States Senator, has been with us all day long. Thank you, Chuck.

It would be the best thing for the State of Illinois to have George Lindberg, your State comptroller, for the next 2 years—4 years. Then it is so wonderful to have the opportunity of saying that my association with Ed Madigan when I was in the House and his support for me while I've been President of the United States, I appreciate. He's good for you, he's good for Illinois, and he's great for the United States.

Let me take just a minute to let you in on some inside information. This morning I got a telegram from Governor Carter, who is attempting to clarify his position on a number of important issues. Specifically, there seems to be some confusion over exactly where Jimmy Carter does stand on a number of issues.

I sent him a telegram indicating that I'm delighted to help him clarify his position on such important issues as income taxes, the deductibility of mortgage interest payments, Federal spending programs, and the defense budget.¹ The Governor denies that he is for increasing taxes on middle-income families. I pointed out to him that in an interview with the Associated Press he specifically stated that he wanted to increase income taxes on those families whose income level is above the medium, which is approximately \$14,000 per year.

I'm against increasing anybody's taxes; I think we should cut taxes for the American people. The Governor denied that he had advocated eliminating the

¹ See Item 908.

deduction for homeowners' interest payments. I pointed out to the Governor in my telegram that last February—last February, 1976—in a debate sponsored by the League of Women Voters, he stated that he would advocate eliminating the tax deduction for interest paid on home mortgages. President Ford is against the elimination of that deduction for homeowners on their mortgage payments.

Governor Carter denied that his new spending program would cost \$100 billion annually. I pointed out to him in my telegram that the spending programs proposed in the Democratic platform that Governor Carter helped to write would probably cost close to \$200 billion annually. Specifically, such proposals as the Humphrey-Hawkins bill, the national health insurance proposal, the Perkins education bill, a negative income tax, would cost approximately \$100 billion annually.

I firmly believe that we should keep a lid on Federal spending. The only way to hold down the cost of living is to hold down the cost of Government. I would much rather give tax cuts to the American people than to think up new ways to have the Federal Government spend your hard-earned tax dollars.

Governor Carter, in the telegram to me, stated that he had not called for a \$15 billion reduction in the defense budget. I pointed out in my telegram to him that in March of 1975, in Savannah, Georgia, and again in a press conference in Los Angeles, California, he called for a \$15 billion reduction in the defense budget.

I firmly believe that it's in our national interest, I strongly believe that in order to keep peace throughout the world, the United States must remain number one. And you can't stay number one with a \$15 billion reduction in the defense budget.

We cannot preserve our independence and provide help and assistance for freedom around the world, defend our own national interest, unless we are willing to have the finest military capability that the American people can buy. And under President Ford, we are number one, and under President Ford for the next 4 years, we are going to stay number one.

I also suggested to Governor Carter that he might want to clarify his position on a number of other issues that are of interest to the American people. First, does he really believe, as he said in an interview with *Liberty Magazine*, that church property should be taxed? Number two, does he agree with his own economic adviser that his economic programs would lead to additional inflation? Does he really believe that our Nation is not strong enough? Does he really believe, as he stated in San Francisco, that America is no longer respected? And I closed, in my telegram to Governor Carter, by saying that I eagerly await his

response to these questions, and I look forward to our next debate in Williamsburg, Virginia.

Betty and I have loved the opportunity to be in Illinois. We are here because we want your help. We are here because we want to carry Illinois. We believe with the warm and friendly receptions that we have gotten in Illinois that we're going to carry Illinois, and we're going to win on November 2.

For the last 2 years, since I've had the honor of being President of the United States, we have restored trust—we have restored trust in the White House—we have turned the economy around, and we are on the way to real prosperity in America. We have peace, and I am proud to say that not a single young American is fighting and dying on foreign soil today. That's a record of performance, and I ask you to match that against the promises of Jimmy Carter.

Jimmy Carter—when he goes to California, he tries to sound like Cesar Chavez. When Jimmy Carter goes to Chicago, he tries to sound like Mayor Daley. When Jimmy Carter goes to New York, he tries to sound like Bella Abzug. When he comes to Illinois, he tries to sound just like a little old peanut farmer. [*Laughter*] Jimmy Carter wavers and wanders, he wiggles and he waffles.

Let me say the issues that we face today are taxes. The best tax reform I know is tax reduction. As I said in that telegram, Jimmy Carter wants to increase taxes for all above the medium income, which means that 50 percent of the taxpayers of this country will have a tax increase.

The issue of spending is a very pertinent one because that's your hard-earned tax dollar. Jimmy Carter wants to increase spending. President Ford wants to keep a lid on Federal spending.

Jimmy Carter says he wants to reorganize the Federal Government. Well, let's look at how he did it in Georgia. In Georgia, after 4 years, he increased the number of State employees by 25 percent or more. He increased the spending of the State of Georgia by 50 percent or more. He increased the indebtedness of the State of Georgia by over \$200 million. With that kind of a record, do you want to trust him to reorganize your Federal Government?

If you like Jimmy Carter, you like more taxes. I don't think the American people want more taxes. They want reduced taxes, and they will get, as they have gotten, under President Ford.

Let me just conclude by saying that Betty and I love being here. We love our country, as all of you do.

When Jimmy Carter says that the United States, our country, is not respected anymore, that's not true, because leaders of the free world, the people of the free world do respect the United States. And when Jimmy Carter says our country

is not respected, he is slandering America. I don't like it, and you don't like it, and he is not going to be President for the next 4 years.

I am going to come down and have the privilege and honor of shaking hands with as many of you as I possibly can. But while we are doing that, while I am trying to do that, we have some very honored and very prominent and special guests on board this train who have come from faraway places in our country to show their support for me. I am going to ask your outstanding United States Senator, Chuck Percy, to introduce them to you, and then they will come and join me in extending the warm hand of friendship to all of you—Chuck.

[After greeting members of the community welcoming committee and members of the audience, the President departed Lincoln Station for the Hotel Lincoln, where he participated in an informal luncheon meeting with Illinois newspaper publishers, executive editors, and State media executives.]

[5.] SPRINGFIELD (4:03 p.m.)

LET ME introduce a few of my very, very good friends, and a special one. We celebrated our 28th anniversary last night in the great State of Illinois. I want you to know my bride, Betty Ford.

This is my third visit to Springfield in the time that I've been President. But before making a few observations and comments, let me introduce some people that you know, that I know you want to support; first, my good friend, your Senator, Chuck Percy. And let me introduce to you—I shouldn't have to—but I want you to know that it's important for this district, for the State of Illinois, and for the United States that you reelect your Congressman, Paul Findley. And can I give you some good, sound, friendly advice? I think you ought to elect an outstanding candidate who will be a great Governor—Jim Thompson. And then I think it would be great if you also did the same thing for George Lindberg, as State comptroller.

As I said at the outset, it's great to be in Springfield and in Illinois. We have had a wonderful day coming from Joliet. Betty and I are here because we want your help. We think we have a record of performance, a record that shows that we have restored confidence and trust in the White House. We have turned the economy around from the worst recession in the last 40 years. And right today, we are on the road and a path toward real prosperity not only for 1977 but the kind of prosperity that will be good for America for a long, long time. And I won't be satisfied until every American who wants to work has a job.

But also we have peace, and we have the military capability and the diplomatic

skill to keep the peace. And I am very proud that not a single young American is fighting or dying on any foreign soil today. That's a good record.

So, in the last 2 years plus, we have restored trust in the White House. We are on the road to real prosperity, and we have peace. That's a record of performance. I lay that alongside of the promises made by Jimmy Carter. It seems to me that Jimmy Carter will say anything, anywhere to get to be President of the United States. When Jimmy Carter is in California, he sounds like he is trying to be Cesar Chavez. When Jimmy Carter is in Chicago, he tries to sound like Mayor Daley. When Jimmy Carter is in New York, he tries to sound like Bella Abzug. But when Jimmy Carter comes down to Illinois, downstate, Jimmy Carter tries to tell you he is just a little old peanut farmer. [*Laughter*]

Jimmy Carter—he wanders, he wavers, he wiggles, and he waffles. [*Laughter*] I think you deserve a better candidate for the Presidency than Jimmy Carter, and Jerry Ford is the candidate that I want you to support on November 2.

I believe that the best tax reform is tax reduction, and Jerry Ford tried to get it for you with an increase in the personal exemption from \$750 to \$1,000. That would be good, sound tax relief, tax reduction, for the middle-income taxpayer who has been shortchanged by the Democratic Congress. Jimmy Carter—he wants to increase taxes for the individuals who will go from the median income on up. That means that under Jimmy Carter's platform, Jimmy Carter will increase the taxes of 50 percent of the Federal taxpayers in America.

Let me tell you, if you like Jimmy Carter, you like taxes. I think you prefer Jerry Ford, who wants to reduce your middle-income taxes. A big issue, a major difference between Jimmy Carter and myself—I think we've got to keep a lid on Federal spending. I think the Federal Government has to pull in its belt and stop spending your money as recklessly as we have.

Jimmy Carter embraces the Democratic platform, which calls for 60 new programs that will spend a minimum of \$100 billion more each year. And if you cost them all out, it will probably cost you \$200 billion more a year. I don't think the American people want that kind of spending, which means more inflation and more taxes.

But Jimmy says, well, he's going to reorganize the Federal Government. Jimmy Carter, when he was Governor of the State of Georgia, told the people of Georgia the same thing. What happened? Well, in 4 years, he increased the number of State employees by over 25 percent, he increased the spending by over 50 percent, and he added to the bonded indebtedness of Georgia by \$200 million.

Well, with that kind of record in Georgia, I think it would be catastrophic if he tried to do the same thing with the Federal Government. I don't think you want that kind of reorganization. I think you want a Federal Government that is responsive and responsible to the American people. And under the Ford administration we are going to give you that.

Now, Jimmy Carter on two occasions—once in Savannah, Georgia and once in Los Angeles—said that the Defense Department ought to be cut by \$15 billion. He denied it, but the facts are that's what he said. On the other hand, Jimmy Carter says America isn't strong enough. Now, you can't cut the defense budget by \$15 billion and keep the United States number one. We are number one under President Ford, and we're going to keep you number one for the next 4 years under President Ford.

But as we have traveled from Joliet down here to Springfield, we've gone through the heart of the agricultural area of this country. And it's been a great privilege and honor for us to see so many people who produce the food and the fiber that makes America really run. Five percent of the people produce more than enough for us to eat and wear and, at the same time, produce enough for us to sell overseas.

Every one of us ought to be thankful that we are blessed with the farmers of America, who through their hard work do that job for us. And I thank each and every one of them for making America strong with their efforts.

A few days ago many of you probably heard Jimmy Carter say that America is not respected anymore. That isn't true. The leaders of the world, whether they are the leaders of the free world or the leaders behind the Iron Curtain, respect the United States of America. And when Jimmy Carter says that America isn't respected, I think he is slandering our country, slandering the efforts, the beliefs, the convictions of 215 million Americans.

Jerry Ford has faith and trust and confidence in the American people and in our great country. I am proud of America. And with me as President for the next 4 years, we will keep America number one.

Thank you very much.

And while I go down and shake hands with as many of you as I can, I want my friend, Chuck Percy, to introduce some very special guests who have come from many parts of this country to indicate their support for Betty and for myself. They are great citizens. They believe in what we've done. And I want you to meet them and Chuck will introduce them. In the meantime, I will come down and say hello to as many as I possibly can.

Thank you.

[6.] CARLINVILLE (5:30 p.m.)

WHILE we are waiting for the news media to come up and some of the special guests that have been riding with Betty and me on the train all day long, let me say it's great to be in Carlinville. It's wonderful to be in Illinois. We've had a great day, and I thank all of you very, very much.

I like that sign, "Carlinville welcomes President Ford," and I like that sign there, "The Findley Trailriders like President Ford."

It's wonderful to be here in the company with your great Senator, Chuck Percy. It's wonderful to be in the district so ably represented by Congressman Paul Findley. Send him back for your good, for Illinois' good, and for the good of the United States. And we have had Jim Thompson with us. Jim Thompson will be a great Governor on November 2. Make darned sure you elect him as your next Governor of the State of Illinois.

Now let me make a comment or two. Betty and I have had a great day, starting with Joliet, coming here, ending in Alton. We are here in Illinois because Illinois is a very important State in this election November 2. We want your help. With your help, we can carry Illinois. With Illinois we can win the election on November 2, and you will have Jerry Ford as your President for the first 4 years of our third century.

In the last 2 years as your President, we have done three things that are good for America. We have restored the trust that's necessary in the White House. The American people know that we are open, we are candid, we are straightforward. The American people know that they can trust the White House under President Ford.

Number two, in the last 18 months, we have turned the economy around from the worst recession in the last 40 years so that we are now on the rise. And I won't be satisfied until everybody who wants a job has a job. We will get it under our program for prosperity in America.

Number three, I am proud of the fact that we are at peace and that not a single young American is fighting and dying anyplace on this Earth today. And we are going to keep it that way under President Ford.

I am proud of the fact that I have a record of performance, and I ask you, as voters, to lay that record of performance alongside the promises made by Jimmy Carter. Jimmy Carter will tell anybody anything, anywhere, just to get to be President of the United States. Let me illustrate. When Jimmy Carter is in California, he tries to sound like Cesar Chavez. When Jimmy Carter is in Chicago, he tries to sound like Mayor Daley. When Jimmy Carter is in New York, he tries

to sound like Bella Abzug. And when Jimmy Carter comes down to this great farmland in the area of Carlinville, he tries to make you believe that he is just a little old peanut farmer from Georgia. [*Laughter*] Jimmy Carter wanders, he wavers, he wiggles, and he waffles. I think the voters of Illinois will take my record of performance over Jimmy Carter's promises any day.

Let's take the issue of taxes. I believe the best tax reform is tax reduction. I submitted to the Congress a recommendation to increase the personal exemption from \$750 to \$1,000. The middle-income taxpayers of this country have been shortchanged, and the Ford program will restore equity to those middle-income taxpayers who have gotten short shrift.

Jimmy Carter, he said—quoted by the Associated Press—that he would increase the taxes for all people in the medium-income tax brackets. Jimmy Carter is saying to the taxpayers of this country that he would raise the taxes of 50 percent of the American people. Who do you want, a President who promises to give the middle-income taxpayers a break or do you want Jimmy Carter, who is going to add to the tax burden of the middle-income taxpayers? I think you will take Jerry Ford. Anybody that likes Jimmy Carter likes taxes. Don't buy it.

Let's talk about spending. In the 2 years that I've been President, I have tried to put the lid on Federal spending because when you have more and more Federal spending, it will mean more and more inflation. Jimmy Carter has embraced the platform that he helped to write, which calls for 60-some new programs. And if those programs become law, it will add anywhere from \$100 billion a year to \$200 billion more in Federal spending. I think the American people want the Federal Government to spend less, not to spend more.

And Jimmy Carter has said that he is going to reorganize the Federal Government. Let me tell you what Jimmy Carter did when he reorganized the government of Georgia. In the 4 years that Jimmy Carter was President—I mean Governor of Georgia—Jimmy Carter increased the number of State employees by more than 12 [25] percent. In the 4 years that Jimmy Carter was Governor of Georgia, he increased the spending of the State of Georgia by more than 50 percent. And, as Governor of the State of Georgia, he increased the bonded indebtedness of that State by over \$200 million.

Now if you take that record and he became President, I don't think you would want him reorganizing the Federal Government. I believe you will vote for President Ford because he is making the Federal Government more responsible and more responsive, and he is going to keep the lid on Federal spending.

Then let me take a minute to talk about agriculture. I know in this area—this is part of that great breadbasket of America. I know that you have produced

corn and soybeans and wheat. I know that you are a great contributor to the bounty of America. If you look at the farm policy of this administration against the promised farm policies of Jimmy Carter—I believe in expanded production, record exports, the use of the free market. I believe that under our policies we have expanded agriculture, and we are going to continue to keep the farmer making the decisions and keep the Government out of your pocket and off your farm. And that's what I think you want.

Now let me talk for just a minute about national security. We have a wonderful country. This country is strong internally, and America is strong; we are number one. Jimmy Carter, on two occasions, has said if he became President he would cut the defense budget by \$15 billion. Let me tell you what that will do. Sounds good—of course, he doesn't know where he'd do it, but it sounds good. If we were to cut the defense budget, we would strip the Army, the Navy, the Air Force, and Marines of the necessary weapons that they need to keep America number one.

America is at peace because America is strong. Jimmy Carter would undercut the strength of our military and make this country weak defensively. I think America wants a strong defense. America wants peace. You want Jerry Ford to be your President so we will stay number one in the next 4 years.

Last week Jimmy Carter said America is not respected anymore. If you look around the world, if you talk to the leaders, whether they are in the free world or whether they are on the other side, they respect America. They know America is good. They know America is strong. And when Jimmy Carter says America is no longer respected, he is slandering America. I am proud of America like you are, and let's keep America strong so we can continue to be proud of it and be respected around the world.

Thank you very, very much.

I am going to come down and try to shake hands with as many of you as I possibly can. But we have some wonderful guests who have come from many parts of the country, leaders in their own field, who have come to show their support for my candidacy. I want your great Senator, Chuck Percy, to introduce them as I go along and shake hands. You will like them. They are great people, and I appreciate their support.

Thank you very much.

[7.] ALTON (6:50 p.m.)

THANK YOU very, very much. Betty and I have had a wonderful day in Illinois, starting in Joliet this morning, ending here in Alton this evening. We've had a wonderfully warm reception.

Betty and I love Illinois. We are here to ask for your help. We are here to ask for your vote. And with your vote we can carry Illinois, and we will win the election November 2.

We have some wonderful friends who have been with us on this trip. First, I want to introduce to all of you a good friend of yours, an outstanding United States Senator, Chuck Percy. We also have your fine Congressman, Paul Findley. He is good for you, he is good for Illinois, he is good for the country. We've also had on the trip, most of the way, one of the finest candidates for Governor that I've ever met, who is going to be your next Governor, Jim Thompson.

In the 2 years that I've been your President, I believe we've made a record—we've restored confidence and trust in the White House; we have turned the economy around from the worst recession in the last 40 years. I won't be satisfied until everybody who wants to work has a job, and that's what we will do in the next 4 years.

In the last 2 years, we have achieved a peace. We have the military strength and the diplomatic skills to keep the peace. And I am proud to say here tonight that not a single young American is fighting or dying on any foreign battlefield. We will keep the peace through our policies. And I am proud of what we've done, and I commit we will keep it that way in the future.

I've summarized the record of the last 2 years under my Presidency. Lay that alongside, if you will, the promises of Jimmy Carter.

Jimmy Carter will go anyplace, say anything to anybody to get to be President of the United States. When Jimmy Carter is in California, he sounds like Cesar Chavez. When Jimmy Carter goes to Chicago, he tries to sound like Mayor Daley. When Jimmy Carter goes to New York, he tries to sound like Bella Abzug. When Jimmy Carter comes to this great part of Illinois, the breadbasket of America, Jimmy Carter says, "I am just a little old peanut farmer." Jimmy Carter wavers, he wanders, he wiggles, and he waffles. That's not the kind of a person you want as President of the United States. You want a President that's got a record, a record of progress in the last 2 years.

Let me talk about three subjects. One, taxes. I believe that the best tax reform is tax reduction, particularly for the middle-income taxpayers who have been shortchanged in the last 10 years. I submitted to the Congress a proposal to increase the personal exemption from \$750 to \$1,000. That's the best way to give relief; that's the best way to give equity to the middle-income taxpayers. Congress didn't do it, but I pledge to you that I will keep the pressure on Congress in the next session, in the next session, in the next session, and in the next session until they do it, because it's right.

Now, in contrast, Jimmy Carter, in an interview with the Associated Press, said that he would increase taxes for all medium-income earners. And what does that mean? That means that all income earners of over \$14,000 under Jimmy Carter will have a tax increase. That's 50 percent of the taxpayers in this country.

Let me say this: If you like Jimmy Carter, you sure like taxes. If you like Jerry Ford, you will get a tax reduction.

President Ford, in the last 2 years, has tried to keep the lid on Federal spending. We've been partially successful, but in the next 4 years we will keep the pressure on because if you have more and more spending, you will have more and more inflation and more and more taxes.

Now, Jimmy Carter—he embraces the platform that came from that Convention in New York City. In fact, he wrote it. And that platform calls for 60-some new programs, programs that if they become law—and he has promised that they will—will add \$100 billion a year at a minimum and probably close to \$200 billion.

I don't think the American people want more spending. I think the American people want the kind of a record that I have achieved of keeping the lid on Federal spending.

Jimmy Carter talks about reorganizing the Federal Government. Let's look at his record in Georgia. In the 4 years that Jimmy Carter was Governor of Georgia, he increased the number of State employees by over 25 percent, he increased the expenditures in the State of Georgia by over 50 percent, and he increased the bonded indebtedness of the State of Georgia by over \$200 million.

Now can you imagine, with that record, what he would do to your Federal Government if he ever had the opportunity to reorganize it? Is that what you want for the next 4 years?

Jimmy Carter on two occasions has said he wanted to cut the defense budget by \$15 billion. At the same time, he talks about making America stronger. Now, he can't have it both ways. But anyhow, he has said that he wants to reduce the funds for the Army, the Navy, the Air Force, and Marines by \$15 billion. I don't believe that's the way to keep America number one. America is number one today, and we want America to stay number one.

All of you remember that great President of the United States, Teddy Roosevelt. Teddy Roosevelt once said, "Speak softly and carry a big stick." Jimmy Carter, with his \$15 billion reduction in expenditures for the Army, the Navy, the Air Force, and Marines—what Jimmy Carter says is speak loudly

and carry a flyspotter—flyspot—flyswatter. [*Laughter*] It has been a long day. [*Laughter*]

One final point: Last week Jimmy Carter said that America is not respected anymore. That is not right. The United States of America is respected, respected by our allies and respected by our adversaries. And when Jimmy Carter says that our country—yours and mine, the Nation of 215 million wonderful people—when he says we are not respected, he is slandering America. I don't like it, you don't like it because America is a good country, with good people. And we love it, and we are proud of it, and we are going to stay proud of it 4 years under Jerry Ford.

So, Betty and I are delighted here to be in Alton. Mayor Lenz and the wonderful people of this community—it's a pleasure and honor to be your President. And we ask you between now and November 2 to not only go to the polls yourself but to get your neighbor, your friend, your business associate, and get them to the polls because this is a crucial, critical election.

We can win in Illinois with your help. We can win this election. And it will be good for America, and we promise not to let you down.

Thank you very much.

Let me ask you one more thing. Wait just a minute. We have had some wonderful friends, outstanding people in their various professions, who have been with us from Joliet to Alton. I am going to ask that Chuck Percy take just a minute or two to introduce them. I want to thank all of them personally for their contributions to this good day. And you will love them. They are wonderful people. Betty and I are most grateful for their support.

I want to come out and shake hands with as many of you as I can.

NOTE: The President spoke from the Observation Car of the "Honest Abe" Amtrak train at the Amtrak Station in each community on the tour. At

each stop, he left the train to greet the community welcoming committee and members of the audience.

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Telegram to Jimmy Carter on Clarification of Campaign Positions. *October 16, 1976*

Dear Jimmy:

I am in receipt of your telegram of October 15, 1976, and appreciate your desire to clarify your positions on the issues. I think it is vitally important that the

American people understand exactly what you do stand for, and I am delighted to assist in that effort.

Your telegram to me this morning unfortunately leaves unclear whether you are repudiating positions that you have taken on these important issues, or whether you are persisting in denying that you took these positions in the first place.

Frankly, you have changed your positions on these and other important issues so often that it is difficult for me and the American people to understand who you are and what you really represent.

Let me take up the specific issues that you mention, one by one.

First, you claim that I misrepresented your position in saying that you have called for a \$15 billion cut in defense spending.

The fact is that the Savannah Morning News for March 18, 1975, quotes you as telling the Savannah Rotary Club that "\$15 billion could be cut from the defense budget and not weaken this nation's military capability."

Again, on March 20, 1975, the Los Angeles Times reported that you told a Beverly Hills News Conference that "The Ford defense budget for this year could be cut by about \$15 billion without sacrificing national security."

I recognize and have stated that at other times you have promised defense cuts of varying sizes—always in the multi-billion dollar category. The point is that you would make huge cuts in America's defense preparedness—just how huge you evidently are not sure. If you have changed your position on this issue once again, I and the public would appreciate clarification. Second, you say that I have incorrectly charged you with advocating "tax increases for low and moderate income wage earners."

With regard to "moderate income wage earners," on September 18, 1976, you answered a question from the Associated Press on how you would change the tax burden by saying, "I would take the mean or median level of income and anything above that would be higher and anything below that would be lower."

The interviewer pointed out that the median is "somewhere around \$12,000" and you agreed. There is no public record that you have ever repudiated that statement. Your specific reference to raising taxes for everybody above the mean or median income—actually now around \$14,000 still stands. Third, you deny having proposed "elimination of the mortgage interest tax deduction."

Actually, you made this promise at the League of Women Voters candidate forum in Boston on the night of February 23, 1976, before a national television audience. You have since been more general in your promises to close "tax loop-

holes.” But this is the one loophole that you are specifically on record with a promise to repeal.

Finally, you say that I have unfairly accused you of favoring “spending programs that would total over \$100 billion.”

Actually, the total cost of the Democratic platform, which you have endorsed, would be far more than \$100 billion—probably in the neighborhood of \$200 billion.

The \$100 billion figure, to which I have referred, is the cost of only four specific programs that are provided in the Democratic platform. These are: The Humphrey-Hawkins Job Bill, costing \$10.3 billion in the first year; the Kennedy-Corman National Health Insurance Program, costing \$70 billion in the first year; the Griffith Negative Income Tax, costing \$9.9 billion the first year; and the Perkins Federal Education Bill, costing \$12 billion the first—a total cost of just over \$102 billion in the first year. Costs in subsequent years would be sure to rise rapidly, requiring higher taxes, higher inflation, or both.

It is, of course, your right to change your position on any or all of these issues. What you have done instead is to claim that you never took the positions in the first place.

The facts, however, are part of the documented record.

So long as you do not acknowledge these views and publicly reverse them, it must be assumed that these are still positions which you stand behind.

While your current effort to clarify your positions on the issues appears to be limited to the above items, it seems to me there is the need for further clarification on many additional issues. I would also like to assist your clarification effort in a few additional areas:

1. Do you really believe, as you stated in San Francisco, that America is no longer respected?
2. Do you really believe, as you stated in San Francisco, that our country is not strong any more?
3. Do you really believe, as you stated in an interview with *Liberty Magazine*, that church property, other than the church building itself, should be taxed?
4. Do you really believe we can defend freedom and avoid Communist domination of our allies by withdrawing our troops from Korea and reducing other commitments overseas?
5. Do you agree with your chief economic adviser who, according to the *New York Times* of Monday, said that your economic policies will increase inflation?

6. Do you agree with your chief economic adviser who, according to the New York Times of Monday, said that a Carter administration would *not* cut taxes?

I, and the American people, look forward to your answers and clarifications.

GERALD R. FORD

[Mr. James Earl Carter, Jr., Plains, Georgia]

NOTE: The text of the telegram was released at Lincoln, Ill.

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Remarks in St. Louis, Missouri. *October 16, 1976*

Governor Bond, Lieutenant Governor Phelps, Gene McNary, distinguished guests, all of you wonderful people from Missouri:

I love you, and I won't let you down.

This is a tremendous gathering, and it's a wonderful experience to come to Missouri after a super day. We started early, and to have this kind of a turnout in this great State really gives us the kind of a lift and will continue the kind of momentum that will give us the victory in Missouri and in the United States on November 2.

You have been introduced to all of these real superstars on the platform with me. They have been out working just as I have from Joliet to Alton to St. Louis, and let me express to each and every one of them my deep gratitude and great appreciation. It's the kind of inspiration to me that makes this job ever so much easier. They are wonderful people, and I thank them very, very much.

You know, it's great to be in St. Louis, the "Show Me State" of Missouri. In case you hadn't noticed, this is what my opponent calls "hiding out in the White House." [Laughter] In the last 10 days, I have "hidden out" in California, in Oklahoma, in Texas, in New York, New Jersey, Iowa, Illinois, and now to come to Missouri. It's a great, great week, and I love you.

We are not only going to win in Missouri, we are going to win that election November 2. But that not only goes for the Ford-Dole ticket but also for your great Governor, Kit Bond. Kit Bond is the kind of a Governor that you should be very, very proud of.

What has he done for the State of Missouri? He's restored honesty and integrity, he has balanced your budget without any new taxes, and he has increased jobs in the State of Missouri. Boy, if I was in Missouri, I'd be proud of him, and I'd want him to be your Governor again, and so should you.

And let me say we can't wait to get Jack Danforth down to the United States Senate, so send him there November 2.

But the State of Missouri also has a wonderful opportunity to send some additional, strengthening Members of the House of Representatives—Bob Snyder, Joe Frappier, Joe Badaracco, Bob Witherspoon—send them down, give us some help. They need your support, and we need them in the House of Representatives.

As I said, we started in Joliet awfully early this morning. Betty and I have had a wonderful welcome every place we've been, and the culmination here just is an inspiration. I've come here to ask for your support, your vote on November 2, so we can carry Missouri. Can I have that support?

In the last 2 years that I've had the honor and the privilege to be your President, we've had a record that I think is one of performance. It's a record of restoring honesty and confidence and trustworthiness in the White House. It's a record of turning the economy around from the worst recession in the last 40 years to an economy that's moving forward. And with the kind of programs that we believe in, we are implementing, we are going to have a solid, prosperous economy for the next 4 years, kicking off the next century of America's progress and pride.

But then in the last 2 years we've established peace. Because we are militarily strong, because we are diplomatically skillful, America is at peace. And I can say with great pride that not a single young American is fighting and dying on any foreign soil tonight, and that's good for America.

So on the basis of 2 years of trust, prosperity, peace, a record of performance, let's take a look at what Mr. Jimmy Carter wants to offer. [*Crowd response*] Right on; right on. [*Laughter*]

Jimmy Carter wants to be President so badly that he will say anything to anybody anywhere, and that's not the kind of a President we want of the United States of America. When Jimmy Carter goes to California, he tries to sound like Cesar Chavez. When Jimmy Carter goes to Chicago, he tries to sound like Mayor Daley. When Jimmy Carter goes to New York, he tries to sound like Bella Abzug. But when he goes to Illinois or Missouri, he just says, "I am a little old peanut farmer." [*Laughter*] But the truth is that Jimmy Carter wavers, Jimmy Carter wanders, Jimmy Carter wiggles a little bit, Jimmy Carter waffles an awful lot. [*Laughter*]

I think you want the record of performance of Jerry Ford against those promises of Jimmy Carter.

Let's talk about taxes. I'm real happy to be in a State that's so ably governed

as the State of Missouri under Kit Bond. Kit Bond, as I said a moment ago, has balanced your budget without any increase in taxes.

But let's talk about Federal taxes. The best tax reform that I know is tax reduction. The record shows that the middle-income taxpayers have gotten short-changed in the last 10 years. I recommended to the Congress in January of this year that we give a tax reduction to the middle-income taxpayers by increasing the personal exemption from \$750 to \$1,000. That's the way to give relief to those hard-working, law-abiding, fine, decent people who are in the middle-income brackets, and I am going to pressure the Congress to give that tax relief. If they don't do it next year, we will do it the next year. That's what we've got to give to those taxpayers who work hard, obey the laws, and do what is right for this great country. That's my record.

Now, what does Jimmy Carter want to do? A few weeks ago he had an interview with the Associated Press—I almost said another interview—[*laughter*]—but he had this interview with the Associated Press, and he said that he would be in favor of increasing taxes for all people of medium income or above. That means that 50 percent of the taxpayers of this country would get a tax increase. [*Crowd response*] Boy, I like that reaction. Jerry Ford wants to give you tax relief. Jimmy Carter wants to increase your taxes. Who do you want for President? [*Crowd response*] Keep it going. Keep it going.

All right. Let's talk about another subject. I have tried to keep the lid on Federal spending so that we could get our house in order. Jimmy Carter embraces—in fact, he wrote the Democratic Party platform that calls for 60 new programs, a minimum annual additional cost of \$100 billion, maybe as high as \$200 billion more. Jimmy Carter wants to spend and spend and tax and tax, and add to those inflationary costs every day.

Now, Jimmy Carter says he is going to do something about reorganizing the Federal Government. Well, you know you have to look at what somebody has done to see what they might do. So, let's look at Jimmy Carter's record. Old Al Smith used to say, "Let's look at the record." So, we take a look at Jimmy Carter's Governorship of the State of Georgia. When he was Governor of Georgia, he increased the number of employees by over 25 percent; he increased the spending in the State of Georgia by more than 50 percent; he added to the bonded indebtedness by over \$200 million.

I will just say this: If that's an example of how he is going to run your Federal Government, I don't think you want Jimmy Carter for the next 4 years.

We all know that the United States is strong militarily. We have an Army, a Navy, an Air Force, Marine Corps, number one, and because they are, they keep

the peace for the United States. They keep the peace, and we're respected by our adversaries as well as our allies.

What does Jimmy Carter want to do about the Defense Department? He wants to gut it. He wants to cut it by \$15 billion a year. Jimmy Carter talks about being strong, and then wants to destroy the capability of our military forces to meet the challenge, to keep the peace, to deter aggression.

There is a great, great American President, Teddy Roosevelt. You know what Teddy Roosevelt one time said: "Speak softly and carry a big stick." Jimmy Carter, who wants to gut the Defense Department, he talks loudly and carries a flyswatter. [*Laughter*]

Last week, Jimmy Carter said that America is not respected any more. In the first place, it's not true. The United States of America, your country and my country, we are respected; we are loved by people all over this world. The leaders of one country after another say that the United States today is the most trusted ally and the most respected adversary. I don't like a candidate for the Presidency saying that your country and my country is not respected. That's slander as far as the United States of America is concerned.

And so I say to you, we should be proud of America. We should look with faith and trust in a government that's given freedom to so many people for so long a time, a country that has given so much opportunity, a country we love, we respect and admire.

And I would love the opportunity to be your President for the next 4 years. We want to carry Missouri. We are going to win the election.

Thank you very much.

NOTE: The President spoke at 8:06 p.m. at the Northwest Plaza. In his opening remarks, he referred to Lt. Gov. William C. Phelps of Missouri and Gene

McNary, chairman of the Missouri President Ford Committee.

910

Statement on Signing the Whale Conservation and Protection Study Act. *October 18, 1976*

I AM pleased to sign H.R. 15445, the Whale Conservation and Protection Study Act.

This bill authorizes the Secretary of Commerce to conduct comprehensive studies of all whales found in waters subject to United States jurisdiction, and to report to Congress the results of these studies by January 1, 1980. The bill

also provides that the Secretary of State will initiate negotiations with Mexico and Canada to develop appropriate bilateral agreements for the protection and conservation of whales.

Although much is known of the habits of whales, the vastness of the oceans and the mobility of these mammals make it very difficult to monitor adequately their many species. This legislation will allow the collection of scientific information that will permit us to determine the most appropriate means of preventing the exploitation of whales and thus avoid their extinction.

The United States has placed great emphasis on multilateral efforts with other nations through the International Whaling Commission to achieve effective conservation of whales throughout the world. The negotiations with Mexico and Canada directed by this bill will reinforce the efforts of our three nations within the Commission.

NOTE: As enacted, H.R. 15445, approved October 17, 1976, is Public Law 94-532 (90 Stat. 2491).

911

**Memorandum of Disapproval of the Bill Providing for
Mandatory Inspection of Rabbit Meat. *October 18, 1976***

[Dated October 17, 1976. Released October 18, 1976]

I AM withholding my approval from H.R. 10073, "An Act to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes."

This bill would make applicable to domesticated rabbits, with minor exceptions, the provisions of the Poultry Products Inspection Act. It would require the Secretary of Agriculture to implement a mandatory inspection program for all domesticated rabbit meat sold in commerce, with certain exemptions related to type and volume of operations.

It should be noted that the Food and Drug Administration now inspects rabbit meat to ensure that it complies with Federal pure food laws. Thus, there is no health protection reason for requiring mandatory Agriculture Department inspection of rabbit meat.

The effect of this Act would be to substitute a mandatory taxpayer-financed Agriculture Department inspection program for a voluntary one that is now provided under another law and paid for by the processors and consumers of rabbit meat. Since the voluntary program already provides a means for certify-

ing wholesomeness to those consumers who demand such protection for this specialty food and are willing to pay for the protection, I do not believe that a mandatory program is wise public policy.

In addition, it is estimated that the cost to the taxpayer of government inspection provided by this Act could be more than 10 cents per pound.

The limited benefit to be derived by a relative few consumers of rabbit meat cannot be justified in terms of the cost to the taxpayer. I am therefore not approving H.R. 10073.

GERALD R. FORD

The White House,
October 17, 1976.

912

**Statement on Signing the Bill Exempting the *Delta Queen*
From Certain Safety Laws. *October 18, 1976***

I HAVE signed H.R. 13326, which will extend until November 1, 1983, the existing exemption of the steamboat *Delta Queen* from the requirements of Public Law 89-777, regarding safety laws applicable to ships. This exemption is needed to permit the *Delta Queen* to operate on overnight cruises after November 1, 1978.

The *Delta Queen*, a historic paddle wheel riverboat, was built in 1928 and has been operating on the Ohio and Mississippi Rivers since that time. It was entered on the National Register of historic vessels in 1970. Its preservation as a symbol of Americana is important to the people of this Nation to whom our national heritage means so much. This legislation will preserve a splendid reminder of America's past.

NOTE: As enacted, H.R. 13326, approved October 17, 1976, is Public Law 94-535 (90 Stat. 2496).

913

**Statement on Signing the Bill Providing for a Mid-Decade
Census of Population. *October 18, 1976***

I HAVE signed into law H.R. 11337, a bill to provide for a mid-decade census of population. The first such census will be in 1985; subsequent ones will follow every 10 years.

Passage of this bill provides us with a major opportunity to improve the statistical information which is often the basis for decisions on major issues of public policy. With better information available at 5-year intervals, we will no longer need to rely on data which are often obsolete. The historic method of counting the population every 10 years simply does not meet the Nation's current needs.

This legislation will also make it possible for us to update Federal statistical programs dealing with social statistics, since the mid-decade effort will provide for a periodic updating of significant national, social, and demographic characteristics. This is important because

- \$39 billion are distributed annually using formulae which use population data.
- Federal, State, and local planners depend heavily on current population data.
- The need for a variety of expensive "ad hoc" surveys between censuses will be reduced.
- We will be able to identify the needs of various groups in the American public.

By authorizing the use of sampling techniques to collect mid-decade census data, the bill will reduce the burden on respondents. It also allows considerable flexibility in the design of the effort, making possible major cost savings in special purpose statistical programs now conducted between decennial census dates.

The bill also strengthens the provisions of law relating to the confidentiality of census information, and thus helps to assure that the privacy of the individual is preserved.

I commend the Congress for passing this legislation. It will provide us with better data, of greater consistency, at a reduced cost.

NOTE: As enacted, H.R. 11337, approved October 17, 1976, is Public Law 94-521 (90 Stat. 2459).

914

Remarks Upon Presenting the National Medal of Science Awards for 1975. *October 18, 1976*

Distinguished medal recipients, members of the Cabinet, Dr. Stever, distinguished guests, ladies and gentlemen:

This afternoon, I have the high honor and the very rare privilege of sharing

in two events that reflect great credit upon the United States in this Bicentennial Year. The first involves the latest announcements by the Nobel Prize Selection Committee.

Some have recently raised some doubts about America's continuing leadership in the family of nations. These doubts were surely put to rest this morning by this announcement.

Three more Americans today were named recipients of the 1976 Nobel prizes. Americans have now swept the 1976 prizes in economics, medicine, physics, chemistry, marking the first time in history that a single country has been the home of all of these winners. We should be very, very proud.

Speaking on behalf of a proud and very grateful Nation, I wish to take this opportunity to salute these six outstanding Americans who have earned this magnificent distinction. They have contributed immensely to their profession, to their country, and to all of mankind.

Now let me turn, if I might, to the matter at hand. One of the privileges of an American President is to personally present the National Medal of Science, the Nation's highest achievement in the science and engineering fields.

This afternoon, it is my pleasure to present this award to 15 distinguished Americans. They are joining a very select group of Medal of Science award winners who have achieved recognition since 1962 for their outstanding contribution to knowledge in the physical, biological, mathematical, and engineering sciences.

The recipients we honor today have added to our understanding of the natural environment; they have increased productivity in agriculture; they have improved our Nation's health; they have helped bring new energy sources within our reach; and they have made contributions in mathematics and its application that will permit further progress in computer technology and systems research.

Their accomplishments underscore the importance of scientific research itself. The freedom and the means to question and explore are not just branches of the American experience, they lie at its very roots. The discovery of this Continent, the birth of this Nation, were the results of experimentation and exploration.

For 200 years, this Nation's strength has been in its economic health, its military security, and the general well-being of its people, and these, in turn, have depended on the intellect and creativity of America's inventors, scientists, and engineers.

Our founders believed that the ideas of such searching inquiry—men and women encouraged and protected by a free society—would produce benefits ex-

tending to all of its people. Throughout our history, this belief has been totally justified. Time and time again, the results of scientific research have captured our imagination, bettered our condition, and raised our expectations for the future. Today, more than ever, a strong national effort in research and development is critically important to strengthen our economy and our defense and to improve the quality of life for all Americans.

While in Congress, as well as President, I have worked to bolster our research and development programs in order to achieve our national goals. Just about a year ago, I was struggling with the various Cabinet officers and heads of other departments and with the Office of Management and Budget as to how we could meet a temporary fiscal problem within the Government. But despite the fiscal constraints imposed upon most departments, the fiscal year 1977 budget included requests for an 11-percent increase in Federal funding for research and development, one of the few areas within our Government that got an increase during this temporary fiscal problem that the Nation faces.

Included within were increases for the support of basic research to enlarge the fund of basic knowledge so necessary for the scientific and engineering progress. With the strong and very effective support of Vice President Rockefeller, we now have established a new Office of Science and Technology Policy in the White House, designed to bring the executive branch of the Government timely advice on how science and technology can help us deal with our national problems. And I am personally delighted—and I think the country is fortunate—to have Guy Stever in that new position of responsibility.

The men and women devoting themselves to science and technology in our universities, in our industrial laboratories, our private and public research centers, continue to deserve America's support and encouragement. Therefore, I am extremely proud and consider it a rare privilege to award these 15 National Medals of Science today, and I extend my gratitude and my congratulations to the award winners and to their families.

Dr. Stever, would you please read the names as I present the awards.

NOTE: The President spoke at 12:15 p.m. at a ceremony in the East Room at the White House.

The awards were based on recommendations of the President's Committee on the National Medal of Science.

Margaret Ann György accepted the medal on behalf of her late husband.

The texts of the citations follow:

Biological Sciences

HALLOWELL DAVIS—For fundamental research on nerve potentials, electroencephalography, and

mechanisms of hearing that have formed the basis for advances in neurophysiology, neurology, otolaryngology, audiology, acoustics, occupational health safety, and pediatrics.

PAUL GYÖRGY (*Deceased, February 29, 1976*)—For his discovery of three vitamins and related research that have greatly improved human nutrition.

STERLING BROWN HENDRICKS—For the initiation of basic research in the physical and chemical properties of soils and proteins that have profoundly

influenced agricultural practices and the production of food plants.

ORVILLE ALVIN VOGEL—For outstanding contributions to agronomic research including the development of radically new and improved semi-dwarf varieties of wheat that now grow on five continents and have made the green revolution a reality.

Engineering Sciences

MANSION BENEDICT—For inspired and ingenious leadership in the development of gaseous diffusion plants for uranium isotope separation, and for his role in creating the discipline of nuclear engineering.

WILLIAM H. PICKERING—For his leadership of the exploration of the planets of the solar system and his personal contributions to the theory and practice of soft planetary landings and collection of data from deep space.

FREDERICK E. TERMAN—For his principal role in creating modern electronics and his ability to document his knowledge, so that it could be effectively communicated to his many students who now populate the worlds of industry, academia, and public service.

Mathematical Sciences

JOHN BACKUS—For his pioneering contributions to computer programming languages, especially development of the FORTRAN language which made the modern digital computer directly available to countless scientists and engineers.

SHIING-SHEN CHERN—For developing and extending techniques that led to profound discoveries in geometry and topology.

GEORGE B. DANTZIG—For inventing linear programming and discovering methods that led to wide-scale scientific and technical applications to important problems in logistics, scheduling, and network optimization, and to the use of computers in making efficient use of the mathematical theory.

Physical Sciences

HANS A. BETHE—For his explanation of the origin of the sun's heat, his many contributions to our understanding of the atomic nucleus and his counsel in matters involving atomic energy.

JOSEPH O. HIRSCHFELDER—For his fundamental contribution to atomic and molecular quantum mechanics, the theory of the rates of chemical reactions, and the structure and properties of gases and liquids.

LEWIS H. SARETT—For his pioneering contributions to the chemical synthesis of cortisone, steroidal hormones, and other chemotherapeutic agents which have contributed to the benefit of mankind.

E. BRIGHT WILSON—In recognition of his fundamental theoretical and experimental contribution to our understanding of the structure of molecules.

CHIEN-SHIUNG WU—For her ingenious experiments that led to new and surprising understanding of the decay of the radio-active nucleus.

915

Remarks at the Swearing In of Edward Aguirre as Commissioner of Education, Department of Health, Education, and Welfare. *October 18, 1976*

Justice Stewart, Dr. Aguirre, and Mrs. Aguirre:

I am highly honored and consider it a great personal privilege to have the opportunity of participating in this ceremony where Dr. Aguirre will become the Commissioner of Education. Dr. Aguirre brings a very useful background to this very important job and responsibility in the Federal Government.

As an expert on manpower programs, he understands the relationship between education and jobs for our youth. As a distinguished member of the Hispanic community, he is sensitive to the very special educational needs of America's minorities. As an able administrator, and especially as a former

classroom teacher, he is well qualified to advise me on Federal programs and policies for education. In particular, he will help us identify and answer the concerns of America's teachers.

Dr. Aguirre believes, as I do, that teachers are the single most important valuable resource of our educational system. Dr. Aguirre believes, as I do, that by helping teachers, we are helping ensure the success of America's educational system. Our efforts in education are aimed not only at providing high quality education but at making that education equally available to all of our Nation's students.

As head of the Office of Education, Dr. Aguirre will continue our policy of focusing Federal aid on those students who need this kind of education the most—the handicapped, the educationally disadvantaged, and children with a limited English-speaking capability.

Dr. Aguirre and I will also continue my administration's important effort to make Federal aid to education more effective than it has been in the past. Too often the result of Federal programs has been to reduce local control over education while creating a heavy burden of varying regulations, differing standards, and overlapping responsibilities. Too often we ask whether forms have been properly filled out, not whether children have been properly educated.

Earlier this year, I proposed a block grant program designed to cut redtape and to give State and local authorities and teachers greater flexibility in utilizing Federal aid. I have emphasized recently my hope that America's third century will be known as the century of the individual.

Next to the family, the best place to start cultivating individuality is in the classroom by individualizing instruction. Declining enrollments, for example, can be viewed as an opportunity to reduce class size.

Our Founding Fathers realized an educated citizenry is crucial to a free society. Ignorance and freedom cannot coexist. This gives America's teachers a special responsibility, and it gives America's Government a special responsibility to hear their concerns. We want to know and act upon the needs of America's teachers. With Dr. Aguirre's help, we will continue this effort. Only by being sensitive to teachers can we achieve the educational excellence that is crucial to our Nation's future.

Now I will ask Associate Justice Potter Stewart to administer the oath of office.

NOTE: The President spoke at 2:32 p.m. in the Rose Garden at the White House.

Mr. Aguirre's response to the President's remarks

is printed in the Weekly Compilation of Presidential Documents (vol. 12, p. 1538).

916

Statement on Signing the Bill Designating Acreage of Point Reyes National Seashore as Part of the National Wilderness System. *October 19, 1976*

FOR MILLIONS of Americans in California and stretching far beyond, Point Reyes represents a wonderful haven where one can rest at peace with the land and the sea. I take great pleasure in signing special legislation that designates over 25,000 acres of Point Reyes National Seashore as part of the Nation's Wilderness System. By officially becoming part of the Wilderness System, Point Reyes will be preserved in its natural beauty not only for this generation but for many generations to come.

NOTE: As enacted, the bill (H.R. 8002), approved October 18, 1976, is Public Law 94-544 (90 Stat. 2515).

917

Statement on Signing the Bill Designating Eugene O'Neill's Home and Property as a National Historic Site. *October 19, 1976*

ONE OF the finest tributes that a country can pay to its giants in art and literature is to erect living memorials to their names.

Eugene O'Neill will always be a giant of American literature, so I take special pleasure in signing legislation establishing his home and property near Oakland, California, as a national historic site and as a home for the performing arts.

Eugene O'Neill was dedicated to the theater. This park will remind Americans for years to come not only of his contributions but those of many other artists who have added immeasurably to the wisdom and pleasure of all mankind.

NOTE: As enacted, the bill (S. 2398), approved October 18, 1976, is Public Law 94-539 (90 Stat. 2501).

918

Statement on Signing the Bill Designating Forest Acreage of the Congaree Swamp as a National Monument.***October 19, 1976***

EARLY IN its history the southeastern United States was covered with forests, but the remarkable industrial progress in that area along with many logging operations has now changed much of the landscape. The greatest remaining concentration of virgin hardwood forests in riverbottom land is now the Congaree Swamp, not far away from Columbia, South Carolina.

I am pleased to sign into law special legislation that will designate 15,000 acres of the hardwood forest in Congaree Swamp as a national monument. By officially coming within the National Park System, this forest and its unique ecological system will be preserved not just for this generation but for many generations to come.

NOTE: As enacted, the bill (H.R. 11891), approved October 18, 1976, is Public Law 94-545 (90 Stat. 2517).

919

Statement on Signing the Bill Expanding the Indiana Dunes National Seashore. *October 19, 1976*

SINCE ITS establishment almost a decade ago, the Indiana Dunes National Seashore has provided a wide range of recreational opportunities for people and an excellent habitat for plants and wildlife along the southeastern shore of Lake Michigan.

Yet, the Indiana Dunes has also been a point of controversy, because many people recognized that in preserving the unique qualities of the area, many lands nearby also needed protection.

I am pleased to sign into law special legislation that will expand the acreage of Indiana Dunes by over one-third. This is a welcome step in our efforts to increase the recreational opportunities and improve the quality of life for the American people.

NOTE: As enacted, the bill (H.R. 11455), approved October 18, 1976, is Public Law 94-549 (90 Stat. 2529).

920

**Remarks Upon Receiving the Golden Helmet Award
From the American Veterans of World War II.
October 19, 1976**

Mr. Commander, Doris Shrage, Paul Welch, distinguished guests, previous commanders and others:

As you were speaking of the Hewitt-Madigan Post, it brought back many fine memories of my many opportunities to get together with my former comrades in that post and my long association with that particular organization in the AMVETS. And I thank you, and I hope you will transmit it to them, my appreciation for that opportunity over the years.

I am also, Mr. Commander, deeply grateful for this honor this morning. As a life member of the AMVETS, it's a very special privilege and pleasure to receive the Golden Helmet Award, the finest tribute you can pay to a President of the United States. I thought I was very fortunate back in 1971, Commander, to have gotten the Silver Helmet Award. And then to have this—it really overwhelms me, and I can't express adequately my appreciation.

I have always held the AMVETS in the highest regard, because I know from personal experience that organization has never faltered—or wavered, I might add—in your support for a strong, sturdy America.

There have been times during our recent history—and I cite the period of the Vietnam war as an example—when many of our fellow citizens, I think, conscientiously, grew weary of our leadership role and wanted to sharply reduce America's presence and strength throughout the world.

Fortunately, these voices never really prevailed. The Congress regrettably listened too much, and our defense budgets were cut too much, but over the years we managed to maintain a military force capable of meeting any threat to our security, and we continue to be a forceful leader in international diplomacy today.

And today, the pendulum is swinging back the other way, I am glad to report. As I travel about the country—and perhaps as you travel about the country—I find growing public support for our Armed Forces and a growing public awareness that in order to keep the peace, we must be willing to invest in a first-class fighting force. That growing support is due in no small measure to the un-

flagging devotion of organizations such as the AMVETS, through lean years as well as good years, and I am proud to salute you and all of those associated with you.

But I rapidly say, we must not be lulled into complacency so that we make wrong decisions today when the penalties will be great tomorrow. There still remains an insistent cry that we slash billions and billions of dollars from our defense budget in order to pay for a galaxy of new social programs, that we withdraw our forces from many places in the world, and that we bargain differently with our adversaries.

Let me be very blunt. Those who preach to us that we must slash billions of dollars from our military forces fail to understand that our Armed Forces are the bulwark of freedom throughout the world. America will be free only as long as America is strong.

Those who preach to us about withdrawing our military forces from around the globe fail to understand that America's presence and America's continuing commitment to our allies is the single greatest force in the world today. Only so long as other nations can rely upon our firmness and steadiness will world peace remain intact.

And finally, those who preach to us that we must be tougher with our adversaries while simultaneously cutting our defense budget totally fail to understand international diplomacy. If the day ever comes when America goes back to the bargaining table with one hand tied behind her back, she will return not on her feet but on her knees.

If I may, I would like to borrow a line from Adlai Stevenson in another campaign, 24 years ago. He said, "Let's talk sense to the American people. Let's tell them the truth. There are no gains without pains."

The truth is that in today's world we are at peace only because we are strong and we are willing to pay the price of a mighty military force. We are at peace only because we are firmly committed to our friends and to our allies, and we are at peace today only because we are firm and determined in dealing with our adversaries.

So long as I am President, and so long as the AMVETS and many other Americans prevail—and I think we will—we will never succumb to the voices of those who would reduce our capability to deter aggression and to maintain the peace.

Mr. Commander, I thank you from the bottom of my heart, again, for your

award. And I look forward to working with you and to your associates and to your successors in the days ahead.

Thank you very, very much.

NOTE: The President spoke at 12:30 p.m. in the Rose Garden at the White House. In his opening remarks, he referred to Thomas J. McDonough, national com-

mander, and Paul Welch, past national commander, AMVETS, and Doris Shrake, national president of the AMVETS Auxiliary.

921

Statement on the State of the Economy. *October 19, 1976*

I AM extremely pleased by today's announcement that housing starts totaled over 1.8 million units, at an annual rate, in September—up over 17 percent from August and up almost 40 percent from September of 1975. Housing permits in September and new home sales in August also show healthy increases.

This is excellent news for the construction industry and illustrates the increasing confidence of builders and home buyers in the strength of the underlying economic recovery.

The preliminary GNP data released today indicated that the economy grew at an annual rate of 4.0 percent in the third quarter. While this indicates that the pause in the recovery has continued for two quarters, it should be noted that the figures on overall production mask some promising news. The overall growth rate was held down by a decline in inventory accumulation. However, final sales to consumers, investors, and governments rose by 4.4 percent compared to 4.2 percent in the second quarter and 3.7 percent in the first quarter. These figures indicate a greater willingness to spend on the part of consumers and businessmen and, like the housing starts data, indicate growing confidence in the durability of the recovery.

As I indicated last Thursday—and today's news supports it—my advisers in this area expect a resumption of the rate of growth of GNP in October, November, and December of over 5 percent and probably closer to 6 percent. They expect that same rate of growth in 1977.

922

Memorandum of Disapproval of the Agricultural Resources Conservation Bill. *October 20, 1976*

[Dated October 19, 1976. Released October 20, 1976]

I AM withholding my approval from S. 2081, the "Agricultural Resources Conservation Act of 1976."

S. 2081 would have required the Federal Government—the Soil Conservation Service of the Department of Agriculture—to appraise the land, water and related resources of the Nation, and to develop a plan and administer a program for the use of private and non-Federal lands.

I have several objections to S. 2081. The bill would set the stage for the creation of a large and costly bureaucracy to "cooperate" with State and local governments and private landowners in an attempt to insure land use in compliance with the master plan. Too often Federal "cooperation"—when accompanied by vast amounts of Federal dollars and a large bureaucracy—becomes Federal "direction."

I am not opposed to providing technical assistance to those who need it. The Federal Government, including the Soil Conservation Service, already does a great deal in the management and protection of our natural resources. My 1977 budget proposal called for outlays in excess of \$11 billion for these programs. Included in that amount is over \$400 million for the very program administered by the Soil Conservation Service to which this bill is directed.

In addition, the bill would subject the President's statement of policy—a document that would be used in framing Executive Branch budget requests for this program—to a 60-day review period during which either House of Congress may disapprove the statement of policy by simple resolution. This would be contrary to the general principle of separation of power whereby Congress enacts laws but the President and the agencies of government execute them. Furthermore, it would violate Article I, section 7 which requires that resolutions having the force of law be sent to the President for his signature or veto.

In summary, S. 2081 would violate the principles of fiscal responsibility, minimum Federal regulation, separation of powers, and constitutional government, and accordingly, I withhold my approval.

GERALD R. FORD

The White House,
October 19, 1976.

923

Statement on Signing the Bill Providing for Loan Guarantees for Construction of Municipal Waste Water Treatment Plants. *October 20, 1976*

I HAVE signed S. 3894, a bill to provide loan guarantees for construction of municipal waste water treatment plants.

Under my administration, we have been pursuing a massive program to clean up the Nation's waterways, and progress has been heartening. In the municipal area, this administration obligated over \$4 billion for waste treatment plants last year and expects to obligate from \$5 to \$6 billion in the current fiscal year. From these efforts, rivers, lakes, and coastal waters across the country are being cleaned up, and fishing, boating, and other recreational areas are being opened up across the country.

Despite the progress that is being made, some communities face difficulties in raising the local share of funds for waste water treatment plant construction. I believe strongly that local governments must be a financial partner in this program and strongly oppose Federal financing of some treatment plant projects at 100 percent, as some have proposed.

The loan guarantees authorized by this bill will be available to communities only when they are unable to obtain sufficient credit on reasonable terms without a guarantee, and only when EPA determines there is a reasonable assurance of repayment of the loan. The Secretary of the Treasury will determine whether financing is available at reasonable rates. The Federal Financing Bank will loan the funds to a locality, and EPA will guarantee payment of that loan. EPA could charge fees for its expenses in reviewing an application and for the issuance of a commitment to make a guarantee.

This legislation will assure that no community is prevented from participating in the municipal clean water campaign solely because of short-term inability to obtain financing. This is particularly important since communities must meet regulatory requirements under the Federal Water Pollution Control Act. The bill I have signed will assure that communities will be able to finance projects without increasing the proportionate Federal share through grants.

NOTE: As enacted, S. 3984, approved October 19, 1976, is Public Law 94-558 (90 Stat. 2639).

924

Statement on Signing the Arthritis, Diabetes, and Digestive Disease Amendments of 1976. *October 20, 1976*

I HAVE signed S. 2910, the Arthritis, Diabetes, and Digestive Disease Amendments of 1976. Arthritis, diabetes, and diseases of the digestive tract affect millions of Americans and claim an inestimable toll in human suffering and disability among our citizens and their families.

A major purpose of S. 2910 is the establishment of national advisory boards for diabetes and arthritis, and a National Commission on Digestive Diseases to develop a long-range plan for the control of digestive diseases.

Since S. 2910 will clearly provide appropriate support of our efforts to solve the problems associated with these diseases, it has my enthusiastic endorsement. The state of the art study and development of the long-range plan by the National Commission on Digestive Diseases, for example, will be very helpful to the Department of Health, Education, and Welfare in planning its programs in this area.

The enactment of S. 2910 will aid the Government's efforts to alleviate the problems of those afflicted with these serious and disabling diseases. I am happy to approve it.

NOTE: As enacted, S. 2910, approved October 19, 1976, is Public Law 94-562 (90 Stat. 2645).

925

The President's News Conference of *October 20, 1976*

THE PRESIDENT. Won't you all sit down.

It is easier to get in the Rose Garden. I guess we had better go back to it. We just had a doorknob break off. [*Laughter*]

REPORTER. That is a sign of the times.

THE PRESIDENT. You can't blame that on me.

Helen [*Helen Thomas, United Press International*].

ALLEGATIONS CONCERNING PRESIDENT FORD AND WATERGATE INVESTIGATIONS

[1.] Q. Mr. President, regardless of the allegations of influences at the time, and in view of the long national nightmare we went through, do you have any

regrets, any remorse for the role that you played in helping to block the first investigation of one of the worst White House scandals in history? And I have a followup.

THE PRESIDENT. I don't believe what I did in working with the Republican members of the House Committee on Banking and Currency was a blocking of an investigation of Watergate. I did that because the Republican members of that committee specifically asked me to get them together.

Now, what that committee would have done was, as I understood it, to investigate a very limited part of certain campaign activities. It didn't have any intention or have any program to do anything beyond that. So what I did was at the request of the responsible people on the Banking and Currency Committee. And under the circumstances, as I knew it then, I think I would do exactly the same thing.

POSSIBILITY OF PARDON FOR CERTAIN WATERGATE FIGURES

[2.] Q. Well, Mr. President, there also is a widespread speculation that you may pardon Mitchell, Haldeman, and Ehrlichman, which is all part of the same package. Is there any validity to that?

THE PRESIDENT. There is absolutely no validity whatsoever to that rumor. In fact, you are the first one that's raised it with me. So I want you to know it and I want everybody else to know it: There is no credence whatsoever to it.

Ms. Lewine [Frances Lewine, Associated Press].

COMMENTS BY CLARENCE KELLEY AND GEN. GEORGE S. BROWN

[3.] Q. Mr. President, in the past week, two top men in your administration, FBI Chief Clarence Brown and General George—I mean Clarence Kelley and General George Brown, Chairman of the Joint Chiefs of Staff—have come under criticism for their comments involving curbs on the press and aid to Israel. And I want to know—you haven't made any comment on this—what is your view of this incident? And if you are elected, would you keep these two men in these responsible jobs?

THE PRESIDENT. I am glad that the Counsel of the White House, through the Attorney General, did stop what I understood was to be a speech by Clarence Kelley. From what I know about the speech, I think it would have been ill-advised and would not reflect the views of President Ford in his relationship with the press.

Now, General Brown had an interview 6 or 8 months ago. It was released

at a time when I am certain that General Brown didn't anticipate it would be released, and it was released in part, not in whole.

General Brown, after consulting with Secretary of Defense Rumsfeld, did appear before the press—both of them—and explained the entire context of the interview. And the total interview would lead any reasonable person to a different interpretation than the excerpts that were taken from it and were released to the press.

Now I happen to believe General Brown, and I have reviewed the whole text of that interview myself. Some of those statements were impudent (imprudent) and were ill-advised, and I certainly don't believe that General Brown, in that position, ought to make those kind of comments in several instances. But I also don't believe it was fair in the prospective or released text, that certain excerpts should be taken, and several of them taken out of context.

Now, General Brown was just recommended by me, and he was confirmed by the Senate for a 2-year term as Chairman of the Joint Chiefs. I would expect him to stay. He has a superb military record—35 years of devoted service in wartime—and I think he has been a fine Chairman of the Joint Chiefs of Staff. But he made one or two ill-advised statements, and I hope and trust that he won't do it again.

Q. Mr. President, you would keep both him and Mr. Kelley in their jobs?

THE PRESIDENT. Yes, because I think Clarence Kelley has taken a very serious situation in the FBI—I think he straightened it out—and I think he is a person that all of us can have trust in as far as the job as the Director of the FBI.

PRESIDENTIAL CAMPAIGN THEMES

[4.] Q. Mr. President, at your last news conference you said that the campaign to date had been, quoting you, "mired in questions that have little bearing on [upon] the future of this Nation," and that you would try to elevate the level of the discourse from there on. Subsequently, you seemed to be preoccupied with suggesting that Mr. Carter was a dissembler and again to use your words, "an individual who wavers, wanders, wiggles, and waffles," and your campaign organization has sponsored reproductions in advertisements of the front cover of Playboy magazine. Is that what you meant by elevating the level of the discourse?

THE PRESIDENT. I think it is graphic and accurate to say that Mr. Carter does waver, wander, wiggle, and waffle. There are plenty of illustrations, as a matter

of fact, that that's true. Now, the language is a little graphic, but there is nothing personal about it. I didn't attack his integrity or anything close to that.

Now, Mr. Carter did have an interview in Playboy magazine. I haven't looked at the magazine. I am sure there are about 7 million Americans, I understand, who will look at it and will probably read the article. [*Laughter*] But I reiterate what I said once before: I turned down an invitation by Playboy Magazine to have an interview such as Mr. Carter did. These are all factual statements, either by myself, or a factual statement as to an interview that he had in a certain magazine.

ARAB BOYCOTT AGAINST CERTAIN AMERICAN BUSINESSES

[5.] Q. Mr. President, Mr. Carter yesterday said that if he was elected, he would end the Arab oil boycott. I wonder if you consider this a legitimate matter—

THE PRESIDENT. You mean the Arab oil embargo or the Arab boycott?

Q. The Arab boycott on Israel—I misspoke. I wonder if you consider this a legitimate objective, and if you would like to do the same thing?

THE PRESIDENT. The Ford administration is the only administration since 1952, when the Arab boycott went into effect, that has done anything in the executive branch of the government. Now, Mr. Carter says that he would end it—very short sentence. I resent the inference of that. The Arab boycott was initiated in 1952. In effect, he is saying that President Eisenhower didn't do anything, that President Kennedy didn't do anything about it, that President Johnson didn't do anything about it, President Nixon didn't do anything about it, and he infers I haven't. Of course, he is inaccurate there. But I resent that he is challenging those other four Presidents—Eisenhower, Kennedy, Johnson, and Nixon—because I know they opposed the Arab boycott just as much as I do and as much as Mr. Carter does. And I wonder how anybody can be so naive as to say in one sentence that he is going to do something that four other outstanding individuals didn't do, even though they opposed the same thing. And I think it is ridiculous for him to make that kind of an allegation.

VICE-PRESIDENTIAL CANDIDATE ROBERT DOLE

[6.] Q. Mr. President, since your nomination, your decision to choose Robert Dole as Vice President has been one of the most important ones you've had to make. His record, both during the campaign and in Congress, has been one of extreme partisanship; for example, in his support of nominations to the Supreme Court of Haynsworth and Carswell and his actions on the Watergate investigation.

What can you point to in his career that shows that he has that judgment, that initiative, and that leadership that Americans are looking for in a Vice President and a potential President?

THE PRESIDENT. He served in the House of Representatives and in the United States Senate, I think, for 16 years. I believe his record as a Representative and as a Senator is an excellent record. In fact, it's a record of longer tenure than Senator Mondale.

So on that basis, he is better qualified than Senator Mondale. They have different philosophies. Mondale is a very liberal Senator, and Dole is a moderate-to-conservative. But I think Bob Dole, on the basis of his record of service in the Congress, is fully qualified to be Vice President.

JIMMY CARTER'S INTERVIEW IN PLAYBOY MAGAZINE

[7.] Q. Mr. President, if I could go back to that Playboy interview for a moment, sir. If you haven't read it or seen Playboy, why do you think it is fair to criticize Mr. Carter about it?

THE PRESIDENT. I have read the article. I haven't read it in the magazine.

Q. Well, if I could follow up on that, when you criticize him, is it because you specifically disagree with some things that he said in that, or is it because of the political benefit that a person might be expected to get in criticizing Playboy magazine?

THE PRESIDENT. I don't know why Mr. Carter agreed to the interview. That is not for me to judge. That was a decision made by him. I don't think a President of the United States ought to have an interview in a magazine that has that format. It's a personal conviction.

ARAB BOYCOTT AGAINST CERTAIN AMERICAN BUSINESSES

[8.] Q. Mr. President, a moment ago, when you were talking about the Arab boycott, you were accusing Mr. Carter of inferring that previous Presidents had done nothing about it, but you prefaced that with a statement that the Ford administration is the only one that had done anything about it since 1952. Aren't you and Mr. Carter making the same accusations?

THE PRESIDENT. I've done it. He says that he is going to end it. I think the affirmative action that I've taken—and it has been proven, I think, helpful, because of what has transpired since, I think it was October 7, when the actual order was issued that would force companies who had participated to have their names revealed—I think this will be a big difference. I hope it will.

I am against that Arab boycott. But I repeat: I am the first President that

has taken any affirmative action. And I think the way that Mr. Carter stated it was a reflection on previous Presidents who I know felt as strongly as he does that an Arab boycott is contrary to the philosophy that we as Americans have.

Q. If you are saying that previous Presidents did nothing about it, aren't you, in effect, making the same accusation against them?

THE PRESIDENT. No, I said he said they had not done anything about it.

Q. You have said the Ford administration is the only one that has done anything.

THE PRESIDENT. Anything that's required that companies put their name on the line that they participated or had received information, that is correct.

ARAB OIL EMBARGO

[9.] Q. During your last debate with Jimmy Carter, Mr. Carter stated that if there was another Arab oil boycott, and he was President of the United States, he would break that boycott by countering it with a boycott of our own.

Mr. President, do you think this is a realistic possibility? Could the United States break down an Arab oil boycott—or embargo, by penalizing them by refusing to sell materials to them? And secondly, even if it is realistic would it be in the best interest of the United States?

THE PRESIDENT. My answer would be that I would not tolerate an Arab oil embargo. But I add very quickly, in the current atmosphere, because of the leadership of the Ford administration, you aren't going to have an Arab oil embargo. Let me tell you why.

In 1973, we had the Yom Kippur war. That was settled. We had the Sinai I agreement, followed by the Sinai II agreement.

This administration, in the Sinai II agreement, was able to expand the peace effort in the Middle East because the Arab nations on the one hand and Israel on the other trust the Ford administration.

You won't find among Arab nations today the same attitude that prevailed at the time of the Yom Kippur war, and you won't find the possibilities of another Middle East war today that you had in 1973. So, the probabilities of an Arab oil embargo are virtually nil because of the leadership of this administration.

Now, furthermore, I do not agree with the proposed recommendation of Mr. Carter, if there was one. He said he would cut off food, he would cut off trade, he would cut off military arms. I think we can avoid any Arab oil embargo and not have to resort to cutting off food that American farmers have produced and sell abroad in order to help our economy here at home.

PRESIDENT FORD'S VISION FOR AMERICA

[10.] Q. Mr. President, many people are saying that the candidates are showing no vision. What is your vision for America?

THE PRESIDENT. My vision for America, first, is that we shall be a nation at peace, as we are today. My vision of the next 4 years is also that we will have a better quality of life; that we will have our younger people having a better opportunity for quality education; that every person who wants a job will have a job; that the best health care will be available at prices people can afford; that we will have a record of safety and security in the streets of America for those 215 million Americans who ought to be able to walk in their community or any other part of the country without the threat of crime. My vision would also include an opportunity for greater recreation capability.

In other words, peace, a job, better health, better education, no crime—or control over the criminal situation—and a better opportunity for recreation—those are the visions that I have.

Q. Many people, though, are asking whether you truly have a vision for the underprivileged, whether you really care.

THE PRESIDENT. When you say a job for everybody who wants to work, I think that certainly indicates that you have a deep concern for the people who are disadvantaged, unemployed.

OUTCOME OF NOVEMBER 2 ELECTION

[11.] Q. Mr. President, I wonder if you've made any wagers with your family, your friends, or your staff, about what the popular and electoral vote will be on November 2, and, if so, could you share them with us?

THE PRESIDENT. I haven't made any wagers with my family as to the outcome, but all of us—the four children, Betty, and myself—believe that when the votes are finally counted, the American people will want 4 years of the progress we've made in the last 2, and a better America during that period. But there are no wagers as to whether we are going to win or not.

PROGRAMS FOR MINORITY GROUPS

[12.] Q. Mr. President, the comment by Secretary Butz that led to his resignation was made in response to a question about the commitment of this administration to blacks and other minorities. What is the commitment of this administration? What plans do you have to expand the entering into the society of blacks and other minorities in the next 4 years, if you are elected?

THE PRESIDENT. Well, we have a number of good programs at the present

time. We certainly will continue to enforce the Civil Rights Act that was passed when I was in Congress, which I supported. We will enforce it as to the right to vote, as to housing, as to the opportunities for minority business. We will cover the spectrum to make sure that any minority, not just blacks but any minority—Mexican Americans, Chicanos, generally, blacks—all minorities in this country ought to be treated equitably and fairly, and they will under the existing laws as they have been for the last 2-plus years.

UNITED STATES RELATIONS WITH ISRAEL

[13.] Q. Mr. President, Barry Goldwater has said that he agrees with General Brown in the sense that Israel is a military burden of the United States and that we may deplete our own armories to supply Israel and that we may give Israel too many arms, too much arms. Is Israel a burden in your opinion, and will we deplete our own arms in giving Israel arms?

THE PRESIDENT. That is a very good question, and I would like to expand a bit in my response, if I might. The United States is dedicated to the security and survival of Israel. The 3 million Israelis—they're a democratic state in an area where democracy doesn't flourish. We have many, many good, firm, fine ties with the people and with the Government of Israel. I want that to be understood very clearly.

Now, you have to look at the broad picture when you look at the United States and Israel's military circumstances. At the time of the Yom Kippur war, the United States came immediately to the aid of Israel with substantial military hardware, military equipment. We drew down from our reserves in Western Europe, in the NATO forces, U.S. hardware that was sent to Israel. Now, that was not an irreparable situation in NATO because in the interim, from 1973, we have virtually made up that drawdown. But for a period of time, one could say that the immediate needs of Israel in a crisis were a burden to the United States.

On the other hand, since I have been President—August 9, 1974, to the present time—in order to make Israel strong militarily, the Ford administration has either granted or sold about \$2½ billion worth of military equipment to the State of Israel. And the net result is, today Israel is stronger militarily than it was prior to the Yom Kippur war because of the support of the Ford administration. So today Israel is not a burden militarily to the United States because of the forthright action of the Ford administration.

So, you have to take the comments that have been made in the proper context. Israel is a strong ally who doesn't want U.S. troops to be participants in any

future military engagement there, because Israel is strong and the Ford administration has contributed significantly to making them strong. But in the 1973 Yom Kippur war, some emergency actions had to be taken, Now we have overcome it. Israel is strong; they are a good ally, and we are dedicated to their security and survival.

PRESIDENTIAL CAMPAIGN ISSUES; FEDERAL ASSISTANCE TO CITIES

[14.] Q. Mr. President, there has been a good deal of discussion, sir, and concern that the issues discussed in the campaign have been too narrow, and you and Mr. Carter haven't discussed a broad enough range of issues and that, frankly, very often during the debates, you have been rattling off prerehearsed answers to questions, regardless of the questions. How about that large question, and would you have any particular initiative for America's troubled cities in another term?

THE PRESIDENT. Let me speak very forthrightly. I can't speak for Mr. Carter, but we don't anticipate what those questions are going to be from the members of the press. We answer them based on our knowledge or our experience. And in my case, they are not prerehearsed, and any allegations to that effect just aren't accurate.

Now let me say this about the Ford administration and its reference to the needs and requirements of our major metropolitan areas. The Ford administration, with general revenue sharing, with the Community Development Act, Mass Transit Act, with the LEAA program and a number of other programs, has given more money to major metropolitan cities, to our big cities in this country, than any previous administration. That's a fact.

Now, the net result is sometimes those programs have overlapped. And so about 5 months ago, I asked the Secretary of HUD, Carla Hills, to head a Cabinet-level committee called the Committee on Urban Development and Neighborhood Revitalization. And some time—I hope maybe this week or next—we will have the Cabinet committee's recommendations so we can better utilize the vast amounts of money, the billions and billions of dollars that have gone from the Federal Treasury to our cities so that they will be better utilized.¹ And I am looking forward to that report. I am looking forward to having it published, because I am told that it has some very good recommendations how we can better utilize what we are making available.

ALLEGATIONS CONCERNING PRESIDENT FORD AND WATERGATE INVESTIGATIONS

[15.] Q. Mr. President, in addition to doing what you did in connection

¹ For the President's statement on receiving the report, see Item 930.

with the proposed Patman inquiry in 1972 at the request of the Republican members of the Patman committee, were you also asked by either Mr. Nixon or by anyone acting for him on the White House staff to do what you did?

THE PRESIDENT. As I recall my testimony, John [John Osborne, *The New Republic*], before one—maybe both—committees, I said I had never been contacted by President Nixon, by Mr. Ehrlichman, by Mr. Haldeman, or by Mr. Dean. And I said that I had virtually daily contact with Mr. Timmons, who was the head of the legislative liaison office, but, to the best of my recollection, neither he nor anybody in his office asked me to take a hand in the Patman action or the committee action.² That was my testimony in 1973; it's my testimony, or my answer to your question today.

DEFENSE BUDGET

[16.] Q. Mr. President, you stated that Governor Carter once advocated a \$15-billion cut in the defense budget. He said that's not so, that he only wants to cut \$5 billion or \$7 billion out and he wants to take it all out of waste. I would like to know, why don't you join Governor Carter in coming out in favor of cutting that much waste out of the defense budget?

THE PRESIDENT. First, the record is clear that on two occasions, Governor Carter did say—one in Savannah, Georgia, and one in Los Angeles—and he was quoted in reputable newspapers—that he would cut the defense budget \$15 billion.

Now it is true, according to what he says today, that he has gone from a \$15-billion cut down to a \$5- to \$7-billion cut. I am glad to see that as he gets better educated in these matters, that he understands that you can't do that to the Defense Department and be strong enough to meet the challenges of the Soviet Union or anybody else.

All right. The Ford administration, in January of this year, recommended to the Congress a military budget that called for spending—what we call obligation authority—of about \$112.5 billion. We said that you could keep the military strong and keep the peace as we have it with that kind of a military budget, providing the Congress would take certain other actions to improve the efficiency and achieve economies in the Defense Department, and I think those proposed economies total about \$4 billion.

Now, the Congress, when they got all through, only approved about a billion and a half to \$2 billion of those economies that the Ford administration recommended for the Department of Defense. So, we were on record in January

² U.S. Representative Wright Patman from Texas was Chairman of the House Banking, Currency, and Housing Committee, which investigated the Watergate break-in.

for some very specific economies, improved efficiency in the Defense Department. And the net result is, Congress wouldn't go along with it. They wouldn't change the laws. But we are going to send up a budget in January for the Defense Department that will provide for the necessary funding to keep the peace, but we will also send up the kind of economy, efficiency recommendations that we made last January.

REPORTER. Thank you.

THE PRESIDENT. Thank you all very much. How do you like the afternoon show? [*Laughter*]

NOTE: President Ford's thirty-ninth news conference began at 2 p.m. in the East Room at the White House.

926

Statement on Signing Amendments to the Bretton Woods Agreements Act. *October 21, 1976*

I HAVE approved H.R. 13955, an act "to provide for amendment of the Bretton Woods Agreements Act, and for other purposes." This legislation authorizes United States acceptance of amendments to the Articles of Agreement of the International Monetary Fund and United States consent to a proposed increase in its quota in the Fund.

The reforms of the international monetary system which the United States accepts through these amendments are the culmination of years of debate and negotiation following the breakdown of the Bretton Woods par value system in 1971. This new international monetary system recognizes that development of stable underlying economic and financial conditions is in essential prerequisite to the achievement of international monetary stability. At the same time, the new system will provide the increased flexibility, resilience, and reliance on market mechanisms which today's monetary relationships require, replacing the exchange rate rigidity and gold emphasis of the Bretton Woods system.

In the post-World War II era, we have increasingly recognized the importance of a smoothly functioning international monetary system to American jobs, production, and growth and to the maintenance of a prosperous and stable world economy. The attainment of the international economic as well as political and national security objectives of the United States depends in large measure on our success in maintaining a strong and healthy world economy, and that, in turn, requires a sound, smoothly functioning, and equitable international monetary system.

For all these reasons, I am especially pleased to sign into law this act to provide for amendment of the Bretton Woods Agreements Act.

NOTE: As enacted, H.R. 13955, approved October 19, 1976, is Public Law 94-564 (90 Stat. 2661).

927

Statement on Signing the Immigration and Nationality Act Amendments of 1976. *October 21, 1976*

I HAVE signed H.R. 14535, the Immigration and Nationality Act Amendments of 1976. This legislation brings our immigration procedures for the Western Hemisphere into line with those for the Eastern Hemisphere. Among other things the enrolled bill would:

- apply the preference system currently applicable to Eastern Hemisphere immigrants to natives of countries of the Western Hemisphere (with minor modifications);
- apply the 20,000-per-country limit to countries of the Western Hemisphere;
- make Western Hemisphere immigrants eligible for adjustment of status to that of lawful permanent residents on an equal basis with Eastern Hemisphere immigrants;
- apply the labor certification requirements equally to immigrants native to both hemispheres; and
- provide that Cuban refugees covered under the Cuban Refugee Act of 1966 will not be charged to the Western Hemisphere quota (of 120,000 per year).

This legislation will also facilitate the reunification of Mexican-American families by giving preference to Mexican nationals who are close relatives of United States citizens or lawful permanent residents, or who have needed job skills. I am concerned, however, about one aspect of the legislation which has the effect of reducing the legal immigration into this country from Mexico. Currently about 40,000 natives of Mexico legally immigrate to the United States each year. This legislation would cut that number in half.

The United States has a very special and historic relationship with our neighbor to the south. In view of this special status we have with the Mexican Government and the Mexican people, I will submit legislation to the Congress in January to increase the immigration quotas for Mexicans desiring to come to the United States.

NOTE: As enacted, H.R. 14535, approved October 20, 1976, is Public Law 94-571 (90 Stat. 2703).

928

Statement on Signing the Rural Electrification Administration Technical Amendments Act of 1976. *October 21, 1976*

THE Rural Electrification Administration (REA) was established 41 years ago. At that time, only 10 percent of the farms had electricity. Now 99 percent of America's farms enjoy the convenience and use of many electric, laborsaving devices in the production of food and fiber for all our citizens. Productivity increases in American agriculture, and the reversal of the rural to urban migration are testimony to the beneficial change that rural America has experienced—which to a large extent is attributable to the improved availability of electricity.

In helping to electrify rural America since 1935, REA has made and guaranteed \$18 billion in loans. Significantly, during this current fiscal year, REA expects to make \$3.5 billion in electric loan guarantees. The fact that only \$44,000 has been written off over these four decades is indicative of the conscientious effort not only to administer the program soundly but to assure that the taxpayer's money is secure.

The REA revolving fund and guaranteed loan program, established in 1973, is also being used effectively to help alleviate the energy shortage through the participation of REA borrowers, along with the investor-owned utilities, in the construction of new electric generation plants.

I have signed H.R. 12207, the rural electrification act amendments. This act corrects some inequities that crept into the comprehensive 1973 changes in the Rural Electrification Act. The combined efforts of my administration, the national associations of electric and telephone borrowers, and the Congress, in developing badly needed corrective legislation, is a demonstration of the kind of cooperation and leadership that can make a program responsive to the needs of our people and the Nation.

The bill I have signed will save the U.S. Treasury \$42 million in unnecessary interest subsidies in the 5-year, fiscal 1977–1981 period by changing the criteria establishing eligibility for 2-percent electric and telephone loans. The act also transfers some \$456 million of unobligated funds from the 1973 appropriation into the Rural Electrification and Telephone Revolving Fund where it can be used for insured loans, subject to limitations established by the Congress.

These amendments to the REA legislation will help make a good program even more effective.

NOTE: As enacted, H.R. 12207, approved October 20, 1976, is Public Law 94–570 (90 Stat. 2701).

929

**Statement on Visual Television Aids for Americans
With Hearing Impairments. *October 21, 1976***

MILLIONS of Americans suffer from hearing defects, a disability which affects more persons than visual impairment, heart disease, or any other chronic physical ailment.

A substantial percentage of the over 13 million Americans who suffer hearing impairment are unable to fully enjoy television as an entertainment and information medium due to their disability. And yet television is a primary source of entertainment in our Nation.

The Public Broadcasting System has pioneered the development of a system to subtitle commercial television entertainment programs, so that persons who have decoders can see printed words on their television screens. Those viewers without decoders would have no disruption of their television pictures in any way.

With the cooperation of the Nation's television broadcasters, the producers of entertainment programs, the advertising community, equipment manufacturers, and others, I believe we can bring about the voluntary implementation of a closed-captioning system. To that end, I have asked the Director of the Office of Telecommunications Policy to meet at the earliest opportunity with appropriate persons in the public and private sector to encourage the voluntary implementation of a closed-captioning system.

It is my strong conviction that every American should have the opportunity to participate fully in and enjoy the entertainment and information sources we as a nation have to offer.

930

**Statement on the Interim Report of the President's Committee on
Urban Development and Neighborhood Revitalization.
*October 21, 1976***

I WELCOME the interim report from Secretary Hills and the President's Committee on Urban Development and Neighborhood Revitalization. This report reflects a realistic, commonsense, practical assessment of the urban condition. It is straight talk—not vague or empty political promises.

This report clearly shows that the plight of many older cities results from a combination of complex and interrelated forces: not enough jobs, too many needy and poor, crime and the fear of crime, and deteriorating housing and property values. These basic problems, in turn, have brought about declines in the tax base and higher costs of public services, which result in inadequate schools, less police and fire protection, and overcrowded mass transportation. In many cases, conflicting Federal and State programs and redtape have contributed to the plight of cities by undermining effective local political leadership.

But the conclusion of the report is optimistic. Secretary Hills and her colleagues found that there is a dynamic spirit of self-help at work in practically all American cities. The people of the cities are self-reliant and eager to come to grips with their own problems. Their leaders, for the most part, are looking for help in developing local solutions—not for political promises of magic remedies from Washington. The people of urban neighborhoods are taking the initiative in solving their own problems under their own control.

Secretary Hills' report recommends ways we can better utilize the billions of dollars the Federal Government invests in the cities each year. We will carefully study these proposals for inclusion in my legislative proposals to the new Congress.

Since I took office 2 years ago, my administration has followed a clear urban policy: to provide the cities and their neighborhoods a fair share of Federal resources and the opportunity and flexibility to solve their own problems and manage their own growth and progress. To carry out this policy, here are some of the things this administration has done and will continue to do:

1. *General Revenue Sharing.* This is the most important program of Federal assistance to local governments in American history. Since 1972, we have returned to cities, counties, towns, communities, and States \$30.2 billion to assist the people in meeting public needs. This program has already helped our cities immensely, and the general revenue sharing extension, which I signed last week, will provide \$25.6 billion more for these purposes over the next 3¾ years.

2. *Community Development.* Less than 2 weeks after I became President, I was proud to sign the landmark Housing and Community Development Act of 1974. Through this act we have provided \$8.6 billion in block grants to American communities for use as they see fit in meeting their local community development needs.

3. *Housing.* My goal is a home for every American family in a safe and clean environment. To reach that goal, I will continue economic policies to hold down

inflation, allow interest rates to drop, and restrain pressures for increases in housing costs. Further evidence that these policies are succeeding is provided by the recently announced reduction in the interest rate on mortgage loans insured or guaranteed by the Federal Government. This rate is now lower than it has been since April 1975, making it easier for middle-income families to become homeowners. I have also recommended reductions in downpayment requirements on FHA-insured loans.

4. *Transportation.* There must be swift and convenient transportation within and into our cities and communities. We have provided several billion dollars in Federal funds as our part in the working partnership with State and local governments to provide urban transportation.

5. *Crime.* I am determined to lead a Federal, State, local, and community effort to make the streets and homes of America safe for every man, woman, and child. We must get the career criminals off the streets and into jails. We can do this with the certain sentences for Federal crimes I have proposed to Congress as a model for State and local governments. One of my top priorities in the first 100 days of the new term will be to rally all America behind Federal anticrime legislation.

6. *Jobs.* I am dedicated to the principle that every American who wants a job can find a job. Millions of Americans have been trained through the CETA program and other Federal programs, but we need to do more. Last January, I proposed a job creation program in high unemployment areas, but Congress failed to act. We must also find a way to provide for young Americans the training and experience they need to practice a trade or a craft or a practical business skill. We must put all of America to work.

7. *Education.* The goal of my administration is a quality education for every young American. We need reforms in Federal and State education procedures to make certain that teachers can spend more time teaching instead of filling out government forms. We need diversity and competition in education. We need to preserve our nonpublic schools and to make our public schools better.

8. *Neighborhoods.* My policy toward the cities recognizes and will build upon a great source of strength: the rich variety of urban neighborhoods—neighborhoods where Americans have built family, personal, cultural, economic, religious, and political relationships that form true communities. This is the American tradition at its best. And we will work with citizen groups throughout the country to preserve and improve the quality of life in these neighborhoods.

9. *Vigorous Economy.* Most of all, our cities and neighborhoods need a

strong and growing economy, a healthy growth in useful, productive jobs in private industry, and control of inflation. I will continue my commitment to combat inflation, to restore an orderly, steady growth to the American economy.

Finally, our cities and their neighborhoods will not flourish nor fail because of what is done by Washington. Their success depends on what the people in the cities, and their leaders, do for themselves. They are succeeding and will continue to do so as long as honest and realistic solutions are arrived at locally and supported nationally. I intend to see that this support is applied with wisdom, imagination, and prudence, but, above all, with a conviction that our cities are irreplaceable resources which shall never be abandoned.

NOTE: The 50-page report is entitled "Interim Report and Neighborhood Revitalization," dated October 1976.

931

Remarks Concerning the Interim Report of the President's Committee on Urban Development and Neighborhood Revitalization. *October 21, 1976*

Secretary Hills:

I am pleased to announce today that I have received from Secretary Hills the interim report of the President's Committee on Urban Development and Neighborhood Revitalization. The report deals forthrightly with the problems of our cities and the strengths of their neighborhoods.

It is a direct result of a White House meeting held last May, which included city officials and neighborhood and community leaders who have been concerned with the revitalization of our cities and their neighborhoods. Secretary Hills and her colleagues recommend positive steps toward consolidating and improving Federal programs and involving citizens in local decisionmaking.

The people of many of our Nation's urban neighborhoods and their elected officials have taken the initiative in solving the problems of neighborhood revitalization. Our best course of action—certainly our best course of action in the future—is to provide as much support as possible for responsible community and neighborhood leaders to preserve and to improve the quality of life in our Nation's neighborhoods.

I want to compliment and congratulate Secretary Hills for being Chairman of this group and congratulate her on the fine job that she and her associates have done in this report.

I'd like Secretary Hills now, if she would, to please brief you on the report. Secretary Hills.

SECRETARY HILLS. Thank you, Mr. President.

THE PRESIDENT. Thank you very much, Carla.

NOTE: The President spoke at 10:32 a.m. to reporters assembled in the Briefing Room at the White House.

Following the President's remarks, Carla A. Hills, Secretary of Housing and Urban Development, held a news briefing on the report for reporters.

932

Remarks at the Swearing In of Five Members of the Federal Council on Aging. *October 21, 1976*

Secretary Lynch, Dr. Flemming, members of the Federal Council on Aging, and a very special and distinguished guest:

I would particularly like to welcome Mr. Blackistone, who is 105 years old. We hope you have many more opportunities and occasions to join us here at the White House.

Let me welcome to the White House this morning for this swearing in the five members of the Federal Council on the Aging. The sixth member, the honorable Bertha Adkins, who is the Chairperson of the Council, is being sworn in at this time in Augusta, Maine, where she is addressing Governor Jim Longley's Conference on Aging. And I just learned that she had a problem with some inclement weather, and she had to drive several hundred miles to make it. So, Bertha hasn't changed. She is a driver and a goer.

In the 2 years since its foundation, the Council has made very substantial contributions to the well-being of our older Americans, particularly in making recommendations designed to improve tax policy and coordinate benefit programs for our older citizens.

Earlier this year I had the opportunity to call to the attention of all Americans one of the Council's most significant achievements, the Bicentennial Charter for Older Americans. The charter is a bill of rights for America's senior citizens, a testament of our Nation's heartfelt concern for our older citizens.

It has been said that history judges a society on how well it cares for its older citizens. In America in recent years, the Federal Council on Aging has led the way to a record of solid progress in helping many of our older citizens lead independent, satisfying, and healthy lives.

Since the 1971 White House Conference on Aging first focused national

attention on the problems and the concerns of older citizens, social security benefits have risen by 50 percent, a new national network of State and area agencies on the aging has been established, nutrition projects for the elderly have been established and are now serving over 300,000 hot meals each day, special housing programs for older Americans have also been set up around the country.

This is a good start, but our efforts on behalf of older Americans have only begun. Our first priority must be to protect the retirement income of older Americans. Inflation, which hits those on fixed incomes the hardest, is the foremost threat to the stability and the value of retirement income. We have cut inflation in half, but if our older citizens are to fully enjoy their later years, it must be cut further, and it will.

We must, of course, strengthen the financial underpinnings of the social security system. Congress adjourned without acting on proposals I submitted, which would have ensured the fiscal integrity of the system. I will urge the Congress to make this a first order of business in January 1977. I will also urge the new Congress to enact proposals that I submitted early this year to provide older Americans with protection against the devastating financial aspects of extended illness.

Another area of great concern to older Americans is the special threat to their well-being posed by crime. Our older citizens have earned the right to live securely and to walk the streets without fear. That is why I was particularly gratified by a provision in the Crime Control Act, which I recently signed. This new provision requires that State crime control plans deal specifically and very firmly with the criminal attacks which are made against our senior citizens.

All Americans can count on the administration and the Federal Council on Aging to continue to see that these and many other issues which particularly concern our older citizens are met head-on.

I look forward with great confidence to the leadership of Ms. Adkins, Mr. Martin, Monsignor Fahey, Mr. Winston, Mrs. Devereux, and Mr. Holland. They will provide outstanding leadership in the months and years ahead.

And now, Justice Stevens, will you please swear in these distinguished members of the Federal Council on Aging.

NOTE: The President spoke at 11:18 a.m. in the East Room at the White House. In his opening remarks, he referred to Marjorie Lynch, Under Secretary, and Arthur S. Flemming, Commissioner of the Administration on Aging, Department of Health,

Education, and Welfare.

John Paul Stevens, Associate Justice of the Supreme Court, administered the oath of office to Mrs. John William Devereux, Msgr. Charles J. Fahey, John B. Martin, Harry Holland, and Nat T. Winston, Jr.

933**Statement on the 1976 Nobel Prize Winners.*****October 21, 1976***

I KNOW that all Americans are truly proud today knowing that our fellow countrymen have won every Nobel Prize for 1976.

If there is a world Olympics in the arts and sciences, it is the Nobel Prize. In competitive sports terms it might be said that in 1976 Americans have swept the field in a way no other country has ever done before.

The credit belongs, of course, to the individuals whose talents and dedication have won this magnificent distinction. But let us never forget our belief—expressed so well in the Declaration of Independence—that only in a free society could the God-endowed talents of individuals find complete fulfillment.

How happy our Founding Fathers would be at these achievements. How elated Benjamin Franklin would have been with the scientific awards. How grateful John Adams would have been with the awards in economics and in literature.

And finally, how pleased Thomas Jefferson would have been with this finest possible Bicentennial birthday gift for a land devoted to freedom and opportunity.

934**Remarks on Arrival at New York City on Noise****Standards for Commercial Aircraft. *October 21, 1976***

I DO have a short statement that I would like to read.

I am delighted to be here with Senator Buckley, and Congressman Wydler, and Congressman Lent.

Let me proceed.

As you can see, Kennedy International Airport is one of the Nation's finest airports. As you can hear, Kennedy is also one of the Nation's noisiest airports. It is one of the 26 major U.S. airports that have serious noise pollution problems.

Seven years ago, the Nation decided to cut in half the decided noise of jet aircraft. For the last 2 years, all new jet planes have met these standards. The biggest part of the airport noise problem, here at Kennedy and elsewhere, is

caused by 1,550 older planes which fail to meet—and are not now required to meet—proper noise standards.

Therefore, today, I am instructing the Administrator of the Federal Aviation Administration, in consultation with the Secretary of Transportation, to extend current noise standards to all domestic U.S. commercial aircraft.¹ These standards will become effective January 1, 1977, and will be phased in over the next 8 years.

We will also begin immediately the necessary steps to make certain that all international airlines flying into the United States meet these standards.

You understand what I mean.

One reason U.S. commercial airlines have been unable to meet FAA noise standards is that some airlines could not afford to, because of the outmoded regulatory approach of the Civil Aeronautics Board.

A year ago, I proposed aviation regulatory reform to make airline service more competitive and thereby improve service to passengers, reduce fares, and strengthen the financial condition of the airlines. Congress refused to pass that legislation, which would have made it possible for the airlines to modify or to replace their noisy jet aircraft.

I am now putting Congress on notice that I will not accept its failure to act. I want the Members of Congress to know that aviation regulatory reform will be on their doorstep when they convene in January 1977.

In the interest of the airline passenger and the airline industry, it is imperative that Congress act on this reform within 90 days after the opening of the next session of the Congress.

I am also directing Secretary of Transportation Coleman to begin public hearings promptly to consider whether further financing arrangements may be necessary to ensure that all U.S. air carriers can meet the noise standards on time.

Solving the airport noise problem is an environmental imperative for the millions of Americans, estimated at about 6 million throughout the country, who live in the neighborhoods around our major airports.

With the steps I am announcing today, we will be able to quiet our Nation's skies, conserve vast amounts of energy, and improve the quality of life for many millions of Americans.

Thank you very much.

REPORTER. Mr. President, does this mean the SST would be in any way excluded, if it is not now, from flying into this airport?

¹ See Item 941.

THE PRESIDENT. All airports where an SST would land will have to meet the noise standards prescribed by the Secretary of Transportation and by the FAA.

Q. You said they would be phased in over a period of 8 years, sir. What does that mean? Let's say in January, will any of these old planes be able to meet these standards by January or would the SST conceivably be?

THE PRESIDENT. We put the noise standards in as of January 1, and there is a mandatory requirement that all new commercial aircraft must meet the standards as they are now. But in addition, we will provide through regulatory reform the financing necessary so that the airlines will be able to procure more new aircraft faster that meet the newly imposed noise standards.

NOTE: The President spoke at 4:31 p.m. at Kennedy International Airport. In his opening remarks, he referred to Senator James L. Buckley and Representa-

tives John W. Wydler and Norman F. Lent of New York.

935

Remarks at the Annual Alfred E. Smith Memorial Dinner in New York City. *October 21, 1976*

Your Eminence, I thank you very, very kindly for your very warm and exceedingly kind introduction. Members of the Smith family, Governor Carey, Senator Javits, Senator Buckley, Mayor Beame, Mr. Silver, Dr. Rusk, distinguished officials, guests, ladies and gentlemen:

Let me say first how busy it is, keeping running the country and the campaign at the same time. We seem to go from one place to another without pausing. Sometimes it gets confusing, but it is always nice to come back here to Philadelphia. [*Laughter*] I should say thank you and good night—[*laughter*—but you are not going to get off that easy.

You know, one of the first speeches I made when I became Vice President-designate, in 1973, was here at the Alfred E. Smith Memorial Dinner. I got out a copy of that speech and read it. It was very short. I have in mind Al Smith's famous political maxim, "Don't speak until you have something to say." He also had a favorite line with a surprisingly modern ring, "Never promise anything you are not perfectly sure you can deliver."

It is no wonder that so many politicians of both parties come here every year to pay tribute to Governor Al Smith's memory. But the dinner also gives opposing candidates a chance to meet in good fellowship for a brief respite from the ardors of their campaign, and I sincerely regret that Governor Carter is not here yet. [*Laughter*]

We are coming into the homestretch of this great campaign, and tomorrow is our last debate—only this one is going to be a little different from the others—Governor Carter is going to answer his questions, and I am going to question my answers. [*Laughter*]

I do have a message for Governor Carter. It is about some new security measures we have taken. We just installed a special lock on the front door of the White House. It is “Jimmy-proof.” [*Laughter*]

I wish I had time to mention all of the distinguished Americans who are here this evening. Looking around this head table, I am not sure whether it is October at the Waldorf or Thanksgiving at Hugh Carey’s. [*Laughter*]

Let me just say a word about your exciting senatorial race right here in the great Empire State. Before the program, I asked Cardinal Cooke what significance he would attach to the fact that this year Jim Buckley and Pat Moynihan—two good Irish Catholics—are running for the United States Senate. Cardinal Cooke said it meant only one thing—God answers prayers. [*Laughter*]

Tonight, rather than talking about what divides us, I would rather focus on what unites us: a deep belief in the Almighty, a deep belief in the dignity of human life, a deep belief in the morality of American leadership.

Earlier this week, Cardinal Cooke dedicated a church on Staten Island which had been destroyed by fire only a few years ago. The people of that church had rallied and worked together to restore what they had originally created and so deeply believed in.

Similarly, in the last 2 years, the American people have rallied. We have restored our belief in ourselves and in our system of government. During our great Bicentennial celebration this past July, we felt that renewed spirit. The sight of those tall ships from all over the world made every American stand taller.

It is one thing to cite the problems that we have in America, to list our complaints and to note the frustration over things that don’t work, the disillusionment with government that has grown so widespread. But we should do more. Our politics ought to mean more than noting a negative tone or negative mood in America and becoming its champion. Our politics ought to be able to capture the hope that there is in America and to find out how to nourish it in specific ways.

There is a wide range of institutions in between, which can bridge the gulf between the person and the huge, impersonal institutions of modern life. These

same institutions can solve problems which are beyond the power of men and women to meet as individuals and beyond the power of government to even understand. They are the communities which a free people freely formed—the communities of families, of neighborhoods, of friends; the communities of faith and charity.

The Jewish-Christian tradition from which this great country emerged encouraged people to help other people in need, especially the stranger, the new-comer. Those of us who were called upon to serve a people born into that tradition do well to recognize the abundance of good will and neighborliness that characterizes such people.

If we ask everything of government, as powerful as government in America is today, we soon may end up looking to government to set the standards for compassion and for care. We may soon forget that the highest standards were already set for us—not on Capitol Hill, but long ago on two loftier peaks: on Sinai and the Mount of Olives.

So, it has been a great honor, Your Eminence, to take part in this evening's demonstration of how good and how great is the heart of this great city and how strong are the bonds of compassion and concern that unite us as Americans.

Before I go, I note that among those absent tonight is one distinguished American who has brought his infectious good humor to many gatherings just like this one, one we can justly call the rightful heir in our time of Al Smith's nickname, "The Happy Warrior." My good friend and the good friend of many people here, Hubert Humphrey, is fighting another battle just tonight in Sloan-Kettering Hospital. He should know that he has our heartfelt prayers for a very speedy and complete recovery. We look forward to having him with us again next year, and I may dare say, that vote among us all is unanimous.

Many years ago, I shared a banquet podium just like this with the then Vice President, Hubert Humphrey. What I said then I say again to you, to all my supporters and to all Governor Carter's supporters, and to Governor Carter himself: As we head into the final days of this great campaign, the things that unite us as Americans are far more enduring than the things that divide us. Let's all remember that both Democrats and Republicans are striving together to create a more perfect Union with liberty and justice for all.

Our unwritten compact of respect for the convictions of others and faith in the tendency of others allows Americans the luxury of rugged political competition. Let's all work to banish war from our shrinking world and hate from our

expanding hearts, to make this whole planet as full of friendship and felicity as this room tonight.

Thank you and good night.

NOTE: The President spoke at 7:37 p.m. in the Grand Ballroom at the Waldorf Astoria Hotel. In his opening remarks, he referred to Terence Cardinal Cook, archbishop of New York, Governor Hugh L. Carey of New York, Senators Jacob K. Javits and

James L. Buckley of New York, Mayor Abraham Beame of New York City, Charles H. Silver, chairman of the dinner, and Dr. Howard Rusk, chairman of the Alfred E. Smith Committee.

936

**Memorandum of Disapproval of the Senate Foreign
Sovereign Immunities Bill. *October 22, 1976***

[Dated October 21, 1976. Released October 22, 1976]

I AM withholding my approval from S. 3553, the Foreign Sovereign Immunities Act of 1976, for technical reasons.

In its haste to adjourn, the Congress passed identical Senate and House bills on this subject. At the time the Senate passed the House bill, H.R. 11315, it attempted to vacate its earlier passage of S. 3553 but was unable to do so because it had left the Senate's jurisdiction. The House, unaware that the Senate had passed the House bill, also passed the Senate bill.

In view of the Senate's action in attempting to vacate its passage of S. 3553, there is doubt that S. 3553 has been properly enrolled, and therefore I am separately approving H.R. 11315 and must withhold my approval from S. 3553.

GERALD R. FORD

The White House,
October 21, 1976.

937

**Statement on Signing the Foreign Sovereign Immunities
Act of 1976. *October 22, 1976***

IT IS with great satisfaction that I announce that I have signed H.R. 11315, the Foreign Sovereign Immunities Act of 1976. This legislation, proposed by my administration, continues the longstanding commitment of the United States to seek a stable international order under the law.

It has often been said that the development of an international legal order

occurs only through small but carefully considered steps. The Foreign Sovereign Immunities Act of 1976, which I sign today, is such a step.

This legislation will enable American citizens and foreign governments alike to ascertain when a foreign state can be sued in our courts. In this modern world, where private citizens increasingly come into contact with foreign government activities, it is important to know when the courts are available to redress legal grievances.

This statute will also make it easier for our citizens and foreign governments to turn to the courts to resolve ordinary legal disputes. In this respect, the Foreign Sovereign Immunities Act carries forward a modern and enlightened trend in international law. And it makes this development in the law available to all American citizens.

NOTE: As enacted, H.R. 11315, approved October 21, 1976, is Public Law 94-583 (90 Stat. 2891).

938

Statement on Signing the Resource Conservation and Recovery Act of 1976. *October 22, 1976*

I HAVE approved S. 2150, the Resource Conservation and Recovery Act of 1976.

I believe this bill provides a workable program aimed at solving one of the highest priority environmental problems confronting the Nation, the disposal of hazardous wastes. This legislation provides for State responsibility for the control of hazardous wastes while at the same time assuring uniform national standards for the protection of public health and welfare. The legislation also provides sound State and local programs to deal with ever increasing amounts of municipal solid wastes generated in this country.

These new controls over hazardous wastes will assure that such wastes are disposed of in a manner which is protective of public health and environmentally sound. The act directs the Federal Government through the Environmental Protection Agency (EPA) to establish criteria for identifying and listing of hazardous wastes; to promulgate standards for generators and transporters of hazardous wastes; and to establish permit requirements for the owners and operators of sites disposing such wastes. States are encouraged to issue these permits in lieu of the Federal Government. Civil and criminal penalties are provided to ensure compliance with the act.

The legislation also provides for State and local development of methods for solid waste management which are environmentally sound and which will encourage the utilization of valuable resources and resource conservation. This will be accomplished through Federal financial and technical assistance to State and local communities for planning and implementing alternatives that address the management, intergovernmental, financial, and technical problems associated with the disposal of solid wastes. Federal guidelines for State and regional planning will include information on solid waste management practices, resource recovery measures, and guidance for the gradual elimination of open dumps. This latter provision is aimed at ensuring the protection of the quality of ground and surface waters from leachate and surface runoff contamination, and the protection of ambient air quality.

Provision is also made in the act for EPA to conduct and encourage studies of resource recovery systems, fuel recovery from solid wastes, and solid waste reduction. The Administrator of EPA will serve as Chairman of a Resource Conservation Committee, which will study economic incentives and product charges, and EPA could enter into contracts with and provide financial assistance for full-scale demonstration facilities.

Finally, the legislation recognizes that the real impediments to local development of resource recovery facilities are not financial, but institutional and technical in nature. Its enactment will thus lead to greater encouragement of the market forces capable of generating demand for recovered materials.

I believe this legislation is another step forward in improving the quality of the environment.

NOTE: As enacted, S. 2150, approved October 21, 1976, is Public Law 94-580 (90 Stat. 2795).

939

Statement on Signing the United States Grain Standards Act of 1976. *October 22, 1976*

I HAVE signed into law H.R. 12572, the United States Grain Standards Act of 1976. This legislation fills a real need—a need to guarantee the integrity of our national grain inspection and weighing system so that both domestic and foreign buyers of United States grain can be assured of the quality and quantity of grain they purchase.

Investigations conducted over the past 2 years by the Department of Agriculture, the FBI, the Justice Department, and by several committees of the Con-

gress, have identified numerous irregularities and instances of malfeasance in our grain inspection and weighing system.

I have indicated on a number of occasions that we must not permit this intolerable behavior in the grain inspection and weighing system to continue. An open, honest, vigorous international export market for our American grain is vitally important to the Nation and our farmers. I have been committed to doing all that is necessary to ensure the confidence of our grain export customers in the American grain trading system.

During the past 2 years the Department of Agriculture has taken a number of administrative steps to strengthen its supervision of the grain inspection system, but it has been clear that legislative improvements are also needed. Consequently, my administration proposed legislative changes last year. This proposal and others have been carefully considered by Congress. The bill which I am signing today is the result of that deliberation.

The permanent legislative reforms provided in H.R. 12572, coupled with the administrative actions already undertaken by the Agriculture Department, will provide our Nation with an effective and honest system of grain inspection and weighing—one that is more responsive to the needs of both buyers and sellers of U.S. grain.

Specifically, H.R. 12572 provides for (1) a system of Federal/State grain inspection at export locations, with provision for “grandfathering in” qualified State agencies in existence as of July 1, 1976; (2) a system of State/private grain inspection at inland locations under strengthened Federal supervision, with authority for the Department to perform original inspections as needed; (3) a system of Federal/State official weighing and certification of weights of grain at export points—here again with authority to “grandfather in” those qualified State agencies in existence as of July 1, 1976. There would be Federal supervision of weighing at export, but the extent of supervision at inland locations would be left to the discretion of the Department of Agriculture.

This new law provides for a cooperative approach between Federal, State, and private inspection and weighing agencies. Such an approach is far superior to earlier congressional proposals for total federalization of inspection and weighing. It will provide more thorough inspection at a lower cost to taxpayers.

Other provisions of the bill I am signing—such as increased civil and criminal penalties, improved investigatory powers, and expanded overseas grain shipment monitoring—will help the Department of Agriculture prevent grain inspection and weighing irregularities in the future.

H.R. 12572 has one undesirable provision. To administer the national grain inspection and weighing program, the bill provides for the creation of a separate service, the Federal Grain Inspection Service, within the Department of Agriculture. I consider this addition to be unnecessary. Nevertheless, the critical need for this legislative improvement outweighs my strong objections to this one provision. Without the strong grain inspection and weighing reform measures included in this bill, our whole international grain trade is jeopardized.

I have with pleasure signed the grain standards act, thus ensuring continued confidence in our international grain trade system.

NOTE: As enacted, H.R. 12572, approved October 21, 1976, is Public Law 94-582 (90 Stat. 2867).

940

Statement on Signing the Veterans Omnibus Health Care Act of 1976. *October 22, 1976*

I AM pleased to sign into law H.R. 2735, the Veterans Omnibus Health Care Act of 1976.

H.R. 2735 significantly improves the scope of medical care services available to our Nation's disabled veterans and their families. It expands the medical care available to veterans with 50 percent or more service-connected disabilities. It also makes available to the families of service-connected veterans a new program of mental health services in order to assure that the disabled veteran and his family can work as a group toward the veteran's rehabilitation and successful recovery. Other provisions of this bill will aid our aging veterans and the veteran population as a whole.

The bill includes an important administration-sponsored proposal—the 1-year extension of the physician and dentist pay bonus to aid VA in the recruitment and retention of skilled medical personnel. Also included are a number of provisions which will assist VA in strengthening and improving the administration of its medical care system.

H.R. 2735 represents a constructive effort by the Congress and the administration to improve care for disabled veterans within the context of a responsive and a responsible medical program. It focuses on those veterans who are our top priority—the veterans with service-connected disabilities—and for whom the VA medical system was developed.

I believe H.R. 2735 can aid the administration in continuing to provide high

quality medical care for our Nation's veterans, and I am proud, therefore, to approve this bill.

NOTE: As enacted, H.R. 2735, approved October 21, 1976, is Public Law 94-581 (90 Stat. 2843).

941

**Memorandum to Federal Aviation Administrator McLucas on
Noise Standards for Commercial Aircraft. *October 22, 1976***

[Dated October 21, 1976. Released October 22, 1976]

Memorandum for Administrator, Federal Aviation Administration

During the past six weeks I have reviewed extensively the aircraft noise problem. I have considered your recommendations as well as those of Secretary of Transportation William T. Coleman, Jr., Environmental Protection Agency Administrator Russell E. Train and many other Federal, State and local officials concerned with the effect of aircraft noise on the people in areas surrounding our major airports.

I am acutely aware of the seriousness of this problem for the six to seven million Americans living near our nation's major airports. We must take action to quiet the noisy aircraft which fail to meet and are not now required to meet proper noise standards.

I hereby instruct you, consistent with applicable laws and regulations, and in consultation with the Secretary of Transportation, to promulgate, by January 1, 1977, a regulation that will require domestic commercial aircraft to meet present Federal noise standards in accordance with a phased-in time schedule, not to exceed eight years.

You and the entire Federal Aviation Administration are to be commended for your dedicated service on the aircraft noise problem. It is only through the joint working efforts of government, airport operators and industry working together cooperatively, that we will be able to quiet our nation's skies and improve the quality of life for millions of Americans.

GERALD R. FORD

942

Remarks Upon Departure for the Presidential Campaign
Debate in Williamsburg, Virginia. *October 22, 1976*

LET ME thank the Suitland and St. John's bands. I think they have done a great, great job. I like the way they play that last song. It's the Michigan Victor's Song, and that's what is going to happen November 2.

Obviously, I am overwhelmed by the wonderful turnout here this morning. I thank you all for coming. I'm deeply grateful for your support. And let me say without any hesitation or reservation, we're going to win November 2, and we won't let you down.

This has been a long campaign. But political campaigns—and I have been through 14 of them—are very, very similar to athletic contests. You will often find in football or baseball that one team will appear to be outclassed, will start from behind, but because they work together, because they feel they have the right approach, the right plans, the right programs, and because they never give up, they win in the last quarter or the ninth inning.

Which reminds me that out in Kansas City, all of the polls indicated we were some 33 points behind. That would seem to be almost an insurmountable lead to overcome. We figured it out mathematically, and between that date and November 2, it meant we had to change approximately 150,000 to 200,000 people as to how they were going to vote between that date and Election Day. But a certain phenomena took place. The American people decided we had a good convention, we had a good platform, we were pulling together, and we had the right vision and the right programs for the American people. The net result was the polls began to show very, very quickly that we were gaining in a phenomenal way, and right today the polls are so close that I think we have an excellent opportunity to pull the political surprise of the century and to come back and win.

As I look at the next 12 or 13 days—and that's all that's left—what we do between now and then will make the difference in the direction this country is going to go in the next 4 years, building a foundation for the next century of American history.

If we go the way that our platform calls for, the way I believe and Bob Dole believes, we can keep the peace that has been achieved through the strength of our military capability and our diplomatic skill. We can enlarge the opportunities for economic progress so that we can honestly say that there will be a job

for every American who wants a job. There will be a home in a decent neighborhood for every person or couple that wants to work and save and buy a home. It's the direction of security on the streets for our young as well as our old, against crime in America. It means giving to the American people the best medical care available at affordable prices. It means greater opportunities for recreation in the wonderful, scenic places we have all over America. It means that the American people can live in a society where there has been healing, not division; where we can disagree without being disagreeable; where we can look forward in the next 4 years and far beyond to a quality of life, peace abroad and peace at home, with prosperity for all. That's the direction we want to go, and that's what is going to win November 2.

So, I thank you all for being here. We will be out there working every day from now until November 2. And when the polls close on that fateful day, I want to be able to say, and I know each one of you wish to be able to say, that you made a maximum effort to see to it that the direction of America is the right direction for the next 4 years.

Thank you very, very much.

NOTE: The President spoke at 12:02 p.m. on the South Lawn at the White House.

943

Statement on Signing the Food Stamp and Supplemental Security Income Amendments Bill. *October 22, 1976*

I HAVE signed H.R. 13500, amendments to the Food Stamp and Supplemental Security Income (SSI) programs.

This Food Stamp amendment gives to the States needed flexibility in deciding how to manage their food stamp programs. It makes optional a previous legislative requirement which was often inappropriate because of its complexity, cost, and the occasional unintended hardships it created.

The bill also has a provision which guarantees that the aged, blind, and disabled recipients of Supplemental Security Income benefits will receive annual cost-of-living increases from the Federal Government. Under current law, these increases do not always get passed on to the recipient. However, I think it is important that this guarantee be available. SSI recipients are particularly vulnerable to the ravaging effects of inflation. This bill will at least provide this deserving group a minimum level of protection.

NOTE: As enacted, H.R. 13500, approved October 21, 1976, is Public Law 94-585 (90 Stat. 2901).

944

Memorandum of Disapproval of the Federal Grant and Cooperative Agreement Bill. *October 22, 1976*

I AM withholding my approval of S. 1437, the Federal Grant and Cooperative Agreement Act of 1976.

This legislation has a laudable goal—to clarify and rationalize the legal instruments through which the Federal Government acquires property and services and furnishes assistance to State and local governments and other recipients. The bill would establish three categories of legal instruments which Federal agencies would be required to use: procurement contracts, grant agreements, and cooperative agreements. These categories would be defined according to their different purposes.

S. 1437 would also require the Director of the Office of Management and Budget to undertake a study which would (1) “develop a better understanding of alternative means of implementing Federal assistance programs . . .”, and (2) “. . . determine the feasibility of developing a comprehensive system of guidance for Federal assistance programs.”

The Office of Management and Budget completed a study, almost a year ago, of the definitions of “grant”, “contract” and “cooperative agreement.” That study, which has been reviewed by other Federal agencies, public interest groups, and other interested associations and groups, confirmed support for the objectives of this legislation but led to serious questions as to whether at this point legislation is necessary or desirable.

No matter how careful the drafting, a bill which requires thousands of transactions to be placed into one of three categories will probably result, in many cases, in limiting the flexibility of Federal agencies in administering their programs and creating a large number of technical difficulties for them. Federally supported basic research programs would be particularly difficult to classify in terms of the definitions in this bill.

The Office of Management and Budget is continuing to work in this area with the cooperation of other Federal agencies. It plans to issue policy guidance to Federal agencies that would more clearly distinguish between procurement and assistance transactions and to better define patterns of assistance relationships between Federal agencies and funding recipients.

In addition, OMB has been developing more comprehensive guidance for assistance programs, as indicated by the recent circulars issued by the agency establishing uniform administrative requirements for hospitals, universities,

and nonprofit grantees. I am directing OMB to continue to emphasize such activities.

Subsequent modifications and refinements can be made in these directives when further operating experience and evaluation suggest they are needed. Such an evolving set of activities in the Executive branch, a step-by-step process which learns from experience, is preferable to another lengthy study as required by this bill.

In view of the extremely complex and changing nature of Federal assistance programs, I believe that Congress should not legislate categories of Federal assistance relationships, but leave the number and nature of such classifications to the Executive branch to determine and implement. If experience from the studies and evaluations now underway demonstrates that legislation is required, that experience would also provide a better foundation for formulating legislation than we have now.

Accordingly, I must withhold my approval of S. 1437.

GERALD R. FORD

The White House,
October 22, 1976.

945

Statement on Signing the Alaska Natural Gas Transportation Act of 1976. *October 22, 1976*

LAST MARCH, my administration proposed legislation to the Congress to speed the flow of natural gas from our vast reserves in Alaska to consumers in the lower 48 States. I am pleased today to sign S. 3521, the Alaska Natural Gas Transportation Act of 1976, which meets the essential objective of that proposal.

Our Nation must develop and produce new sources of this vital fuel. The North Slope of Alaska, with the largest known U.S. gas reserves, can supply over 1 trillion cubic feet of gas per year by 1985. This represents reducing U.S. oil import needs by about one-half million barrels per day. This will be a significant step towards energy independence. If the next Congress acts on my proposal for deregulation of new natural gas policies, long-term relief from natural gas shortages can be achieved.

Three proposals for transporting Alaskan gas to the lower 48 States have been filed officially with the Federal Power Commission. This bill establishes an ex-

pedited process so that the President and the Congress can make a decision on a route expeditiously.

The bill will mandate the prompt issuance of all necessary certificates, permits, leases, rights-of-way, and other authorizations to expedite the initial construction of the route chosen. To ensure adequate environmental safeguards, no final decision will be made unless all appropriate Environmental Impact Statements have been completed. The bill also limits to some degree the scope and timing of judicial review, consistent with constitutional safeguards, so that the gas will flow as soon as possible.

The Alaska Natural Gas Transportation Act of 1976 contains several procedural sections which are significantly different from those proposed by the administration. If it appears that these provisions will hinder the purposes of the bill, I will seek legislative remedies.

The passage of this act is one of the early steps ultimately leading to the building of a natural gas pipeline—the largest private construction project ever to be undertaken. The building of this pipeline exemplifies the role that the private sector must take as we continue our efforts to increase our energy supplies. The role of the Federal Government in this case is to ensure an expeditious decision so that construction delays will be avoided.

In my 1975 State of the Union Message, I set forth this Nation's first energy goals and comprehensive program for achieving energy independence. Since that time, I have proposed over 20 specific measures to promote energy conservation and develop our domestic energy resources.

With the signing of this piece of legislation, nine of my energy proposals are now law. While there is still much to be done, we have made substantial progress—and we will build upon it.

NOTE: As enacted, S. 3521, approved October 22, 1976, is Public Law 94-586 (90 Stat. 2903).

946

Statement on Signing the National Forest Management Act of 1976. *October 22, 1976*

TODAY, I am pleased to sign S. 3091—the National Forest Management Act of 1976—an act of great significance to the conservation and management of this Nation's natural resources.

This act is another important milestone in the evolution of forest policy and conservation law governing our stewardship of a major part of this Nation's great natural heritage, the National Forest System.

In America's first century, our forests and their vast resources seemed to our forefathers inexhaustible. By the late 19th century, however, the spirit of expansion and development had led to much abuse of our forest lands. Fires frequently raged out of control over millions of acres, devastating floods were increasing and our wildlife was being depleted.

With wisdom and timeliness, this Nation began to establish Federal forest reserves to protect our forest lands and to guarantee that future generations would enjoy their benefits. Although the first Federal forester had been hired just 100 years ago in 1876, it was the establishment of the forest reserves in 1891 which sped the development and practice of professional scientific forestry on Federal lands.

Today, the National Forest System comprises 187 million acres of forest and rangelands in 44 States and Puerto Rico, and provides millions of Americans outstanding outdoor recreation and wilderness experiences as well as many wood products, substantial mineral and energy resources, clean and plentiful water, forage for domestic livestock, and homes for many species of fish, wildlife, and plants.

From its inception, the National Forest System was administered not only to protect forest lands but also to restore their productivity. After an early period of basic custodial protection, a philosophy evolved to manage the National Forests in such a way that they provided a variety of uses and benefits for present and future generations. This concept of managing lands on a multiple-use, sustained-yield basis, which was confirmed by law in 1960, has always been a challenge. It has led to continuous discussion and debate over the proper mix of resource uses.

In the past decade, the use and management of the timber resources of the national forests culminated in a court suit challenging the manner in which national forest timber is harvested. The decision in the Monongahela National Forest case had the initial effect of severely reducing timber sales on all the national forests in South Carolina, North Carolina, Virginia, and West Virginia, causing hardships for the forest products industry and its many employees. Applied nationwide, the court's decision would severely restrict the timber supply from all the national forests—led to the act before me today.

While the National Forest Management Act of 1976 evolved from a timber management controversy, the act goes far beyond a simple remedy of the court's decision. Basically, the act expands and refines the forest resource assessment and planning requirements of the Forest and Rangeland Renewable Resources Planning Act of 1974—one of the first acts I signed upon taking office. This act

reaffirms and further defines the concept of multiple-use, sustained-yield management and outlines policies and procedures for land management planning in the National Forest System. Emphasis throughout the act is on a balanced consideration of all resources in the land management process.

Of equal importance, this act guarantees the public full opportunity to participate in national forest land and resource planning. Finally, it recognizes the importance of scientific research and cooperation with State and local governments and private landowners in achieving wise use and management of the Nation's forest resources.

In my consideration of this legislation, a statement made in 1907 by Gifford Pinchot, the first Chief Forester of the Forest Service, was brought to my attention. Mr. Pinchot said:

There are many great interests in the National forests which sometimes conflict a little. They must all be fit into one another so that the machine runs smoothly as a whole. It is often necessary for one man to give way a little here, another a little there. But by giving way a little at the present, they both profit by it a great deal in the end.

This National Forest Management Act of 1976 is the product of diverse and often conflicting interests. Officials of the Department of Agriculture and its Forest Service, conservation organizations, the timber industry, labor, professional foresters, and Members of Congress have worked for months to develop sound legislation. The Nation has profited as a result of their efforts. On balance, I find this act to be a reasonable compromise of the many competing interests which affect the National Forest System.

Therefore, in this Bicentennial Year of our Nation and in this centennial year of Federal forestry, I am very pleased to sign into law S. 3091, the National Forest Management Act of 1976.

NOTE: As enacted, S. 3091, approved October 22, 1976, is Public Law 94-588 (90 Stat. 2949).

947

Presidential Campaign Debate of *October 22, 1976*

THE MODERATOR. Good evening, I am Barbara Walters, moderator of the last of the debates of 1976 between Gerald R. Ford, Republican candidate for President, and Jimmy Carter, Democratic candidate for President.

Welcome, President Ford, welcome, Governor Carter, and thank you for joining us this evening.

This debate takes place before an audience in Phi Beta Kappa Memorial Hall on the campus of the College of William and Mary in historic Williamsburg, Virginia. It is particularly appropriate in this Bicentennial Year that we meet on these grounds to hear this debate. Two hundred years ago, five William and Mary students met at nearby Raleigh Tavern to form Phi Beta Kappa, a fraternity designed, they wrote, "to search out and dispel the clouds of falsehood by debating without reserve the issues of the day."

In that spirit of debate—"without reserve," "to dispel the clouds of falsehood"—gentlemen, let us proceed.

The subject matter of this debate is open, covering all issues and topics. Our questioners tonight are Joseph Kraft, syndicated columnist, Robert Maynard, editorial writer for the Washington Post, and Jack Nelson, Washington bureau chief of the Los Angeles Times.

The ground rules tonight are as follows: Questioners will alternate questions between the candidates. The candidate has up to 2½ minutes to answer the question. The other candidate then has up to 2 minutes to respond. If necessary, a questioner may ask a followup question for further clarification, and in that case the candidate has up to 2 minutes to respond. As was initially agreed to by both candidates, the answers should be responsive to the particular questions. Finally, each candidate has up to 3 minutes for a closing statement.

President Ford and Governor Carter do not have prepared notes or comments with them this evening, but they may make notes and refer to them during the debate.

It has been determined that President Ford would take the first question in this last debate, and, Mr. Kraft, you have that first question for President Ford.

MR. KRAFT. Mr. President, I assume that the Americans all know that these are difficult times and that there is no pie in the sky and that they don't expect something for nothing. So I'd like to ask you, as a first question, as you look ahead in the next 4 years, what sacrifices are you going to call on the American people to make? What price are you going to ask them to pay to realize your objectives?

Let me add, Governor Carter, that if you felt that it was appropriate to answer that question in your comments, as to what price it would be appropriate for the American people to pay for a Carter administration, I think that would be proper, too.

Mr. President?

THE PRESIDENT. Mr. Kraft, I believe that the American people in the next 4 years, under a Ford administration, will be called upon to make those necessary

sacrifices to preserve the peace—which we have—which means, of course, that we will have to maintain an adequate military capability; which means, of course, that we will have to add, I think, a few billion dollars to our defense appropriations to make certain that we have adequate strategic forces, adequate conventional forces.

I think the American people will be called upon to be in the forefront in giving leadership to the solution of those problems that must be solved in the Middle East, in southern Africa, and any problems that might arise in the Pacific.

The American people will be called upon to tighten their belts a bit in meeting some of the problems that we face domestically. I don't think that America can go on a big spending spree with a whole lot of new programs that would add significantly to the Federal budget.

I believe that the American people, if given the leadership that I would expect to give, would be willing to give this thrust to preserve the peace and the necessary restraint at home to hold the lid on spending so that we could, I think, have a long overdue and totally justified tax decrease for the middle-income people. And then—with the economy that would be generated from a restraint on spending and a tax reduction primarily for the middle-income people—then I think the American people would be willing to make those sacrifices for peace and prosperity in the next 4 years.

MR. KRAFT. Could I be a little bit more specific, Mr. President?

THE PRESIDENT. Sure, sure.

MR. KRAFT. Doesn't your policy really imply that we are going to have to have a pretty high rate of unemployment over a fairly long time, that growth is going to be fairly slow, and that we are not going to be able to do very much in the next 4 or 5 years to meet the basic agenda of our national needs in the cities, in health, in transit, and a whole lot of other things like that?

THE PRESIDENT. Not at all.

MR. KRAFT. Aren't those the real costs?

THE PRESIDENT. No, Mr. Kraft. We're spending very significant amounts of money now, some \$200 billion a year, almost 50 percent of our total Federal expenditure by the Federal Government at the present time, for human needs. Now, we will probably have to increase that to some extent, but we don't have to have growth in spending that will blow the lid off and add to the problems of inflation.

I believe we can meet the problems within the cities of this country and still give a tax reduction. I proposed, as you know, a reduction to increase the personal exemption from \$750 to \$1,000, with the fiscal program that I have. And

if you look at the projections, it shows that we will reduce unemployment, that we will continue to win the battle against inflation and, at the same time, give the kind of quality of life that I believe is possible in America: a job, a home for all those that will work and save for it, safety in the streets, health care that is affordable. These things can be done if we have the right vision and the right restraint and the right leadership.

THE MODERATOR. Thank you. Governor Carter, your response, please.

MR. CARTER. Well, I might say first of all, that I think in case of a Carter administration, the sacrifices would be much less. Mr. Ford's own environmental agency has projected a 10-percent unemployment rate by 1978 if he is President. The American people are ready to make sacrifices if they are part of the process, if they know that they will be helping to make decisions and won't be excluded from being an involved party to the national purpose.

The major effort that we must put forward is to put our people back to work. And I think that this is one example where a lot of people have selfish, grasping ideas now. I remember in 1973, in the depth of the energy crisis, when President Nixon called on the American people to make a sacrifice to cut down on the waste of gasoline, to cut down on the speed of automobiles. It was a tremendous surge of patriotism. "I want to make a sacrifice for my country."

I think we could call together—with strong leadership in the White House—business, industry, and labor, and say, let's have voluntary price restraints, let's lay down some guidelines so we don't have continuing inflation.

We could also have an end to the extremes. We now have one extreme, for instance, of some welfare recipients who, by taking advantage of the welfare laws, the housing laws, the Medicaid laws, and the food stamp laws, make over \$10,000 a year, and they don't have to pay any taxes on it. At the other extreme just 1 percent of the richest people in our country derive 25 percent of all the tax benefits. So both those extremes grasp for advantage, and the person who has to pay that expense is the middle-income family who is still working for a living. And they have to pay for the rich who have the privilege and for the poor who are not working.

But I think that a balanced approach, with everybody being part of it, and striving for unselfishness could help, as it did in 1973, to let people sacrifice for their own country. I know I'm ready for it; I think the American people are, too.

THE MODERATOR. Thank you. Mr. Maynard, your question to Governor Carter.

MR. MAYNARD. Governor, by all indications, the voters are so turned off by this election campaign so far that only half intend to vote. One major reason

for this apathetic electorate appears to be the low level at which this campaign has been conducted. It has digressed frequently from important issues into allegations of blunders and brainwashing and fixations on lust in *Playboy*. What responsibility do you accept for the low level of this campaign for the Nation's highest office?

MR. CARTER. I think the major reason for a decrease in participation that we've experienced ever since 1960 has been the deep discouragement of the American people about the performance of public officials. When you've got 7½, 8 million people out of work, when you've got three times as much inflation as you had during the last 8-year Democratic administration, when you have the highest deficits in history, when you have it becoming increasingly difficult for a family to put a child through college or to own a home, there is a natural inclination to be turned off. Also, in the aftermath of Vietnam and Cambodia and Watergate and the CIA revelations, people have felt that they've been betrayed by public officials.

I have to admit that in the heat of the campaign—I've been in 30 primaries during the springtime; I've been campaigning for 22 months—I've made some mistakes. And I think this is part of just being a human being. I have to say that my campaign has been an open one. The *Playboy* thing has been of very great concern to me. I don't know how to deal with it exactly. I agreed to give the interview to *Playboy*. Other people have done it who are notable—Governor Jerry Brown, Walter Cronkite, Albert Schweitzer, Mr. Ford's own Secretary of Treasury, Mr. Simon, William Buckley, many other people. But they weren't running for President. And in retrospect, from hindsight, I would not have given that interview had I to do it over again. If I should ever decide in the future to discuss my deep Christian beliefs and condemnation and sinfulness, I would use another forum besides *Playboy*.

But I can say this: I'm doing the best I can to get away from that. And during the next 10 days, the American people will not see the Carter campaign running television advertisements or newspaper advertisements based on a personal attack on President Ford's character. I believe that the opposite is true with President Ford's campaign. And I hope that we can leave those issues, in the next 10 days, about personalities and mistakes of the past—we've both made some mistakes—and talk about unemployment, inflation, housing, education, taxation, government organization, stripping away of secrecy, and the things that are crucial to the American people.

I regret the things in my own long campaign that have been mistaken, but I'm trying to do away with those the last 10 days.

THE MODERATOR. Thank you, Governor Carter. President Ford, your response?

THE PRESIDENT. I believe that the American people have been turned off in this election, Mr. Maynard, for a variety of reasons. We have seen on Capitol Hill, in the Congress, a great many allegations of wrongdoing, of alleged immorality. Those are very disturbing to the American people. They wonder how an elected representative can serve them and participate in such activities, serving in the Congress of the United States. Yes, and I'm certain many, many Americans were turned off by the revelations of Watergate, a very, very bad period of time in American political history. Yes, and thousands, maybe millions of Americans were turned off because of the problems that came out of our involvement in Vietnam.

But on the other hand, I found on July 4 of this year a new spirit born in America. We were celebrating our Bicentennial. And I find that there is a movement—as I traveled around the country—of greater interest in this campaign. Now, like any hard-working person seeking public office, in the campaign, inevitably, sometimes you will use rather graphic language. And I am guilty of that just like, I think, most others in the political arena. But I do make a pledge that in the next 10 days when we are asking the American people to make one of the most important decisions in their lifetime, because I think this election is one of the most vital in the history of America, that we do together what we can to stimulate voter participation.

THE MODERATOR. Thank you, President Ford.

Mr. Nelson, your question to President Ford.

MR. NELSON. Mr. President, you mentioned Watergate, and you became President because of Watergate, so don't you owe the American people a special obligation to explain in detail your role of limiting one of the original investigations of a Watergate—that was the one by the House Banking Committee? And I know you've answered questions on this before, but there are questions that still remain, and I think people want to know what your role was.

Will you name the persons you talked to in connection with that investigation, and since you say you have no recollection of talking to anyone from the White House, would you be willing to open for examination the White House tapes of conversations during that period?

THE PRESIDENT. Mr. Nelson, I testified before two committees, House and Senate, on precisely the questions that you have asked. And the testimony, under oath, was to the effect that I did not talk to Mr. Nixon, to Mr. Haldeman, to Mr. Ehrlichman, or to any of the people at the White House. I said I

had no recollection whatsoever of talking with any of the White House legislative liaison people.

I indicated under oath that the initiative that I took was at the request of the ranking members of the House Banking and Currency Committee on the Republican side, which was a legitimate request and a proper response by me.

Now, that was gone into by two congressional committees, and following that investigation both committees overwhelmingly approved me, and both the House and the Senate did likewise.

Now, in the meantime the Special Prosecutor—within the last few days after an investigation himself—said there was no reason for him to get involved, because he found nothing that would justify it. And then, just a day or two ago, the Attorney General of the United States made a further investigation and came to precisely the same conclusion.

Now, after all of those investigations by objective, responsible people, I think the matter is closed once and for all. But to add one other feature: I don't control any of the tapes. Those tapes are in the jurisdiction of the courts, and I have no right to say yes or no. But all the committees, the Attorney General, the Special Prosecutor—all of them have given me a clean bill of health. I think the matter is settled once and for all.

MR. NELSON. Well, Mr. President, if I do say so, though, the question is that I think you still have not gone into details about what your role in it was. And I don't think there was any question about whether or not there was a criminal prosecution, but whether you have told the American people your entire involvement in it and whether you would be willing—even though you don't control the tapes—whether you would be willing to ask that the tapes be released for examination?

THE PRESIDENT. That's for the proper authorities who have control over those tapes to make that decision. I have given every bit of evidence, answered every question that's been asked me by any Senator or any Member of the House, plus the fact that the Special Prosecutor, on his own initiation, and the Attorney General, on his initiation—the highest law enforcement official in this country—all of them have given me a clean bill of health. And I've told everything I know about it. I think the matter is settled once and for all.

THE MODERATOR. Governor Carter, your response.

MR. CARTER. I don't have any response.

THE MODERATOR. Thank you.

Then we will have the next question from Mr. Kraft to Governor Carter.

MR. KRAFT. Governor Carter, the next big crisis spot in the world may be

Yugoslavia. President Tito is old and sick, and there are divisions in his country. It's pretty certain that the Russians are going to do everything they possibly can after Tito dies to force Yugoslavia back into the Soviet camp.

But last Saturday, you said—and this is a quote—"I would not go to war in Yugoslavia even if the Soviet Union sent in troops." Doesn't that statement practically invite the Russians to intervene in Yugoslavia? Doesn't it discourage Yugoslavs who might be tempted to resist? And wouldn't it have been wiser on your part to say nothing and to keep the Russians in the dark, as President Ford did and as, I think, every President has done since President Truman?

MR. CARTER. In the last 2 weeks I've had a chance to talk to two men who have visited the Soviet Union, Yugoslavia, and China. One is Governor Averell Harriman,¹ who visited the Soviet Union and Yugoslavia, and the other one is James Schlesinger,² whom I think you accompanied to China. I got a complete report back from those countries from these two distinguished gentlemen.

Mr. Harriman talked to the leaders in Yugoslavia, and I think it's accurate to say that there is no prospect, in their opinion, of the Soviet Union invading Yugoslavia should Mr. Tito pass away. The present leadership there is fairly uniform in their purpose. I think it's a close-knit group, and I think it would be unwise for us to say that we will go to war in Yugoslavia if the Soviets should invade, which I think would be an extremely unlikely thing.

I have maintained from the very beginning of my campaign—and this was a standard answer that I made in response to the Yugoslavian question—that I would never go to war, become militarily involved in the internal affairs of another country, unless our own security was directly threatened. And I don't believe that our security would be directly threatened if the Soviet Union went into Yugoslavia. I don't believe it will happen. I certainly hope it won't. I would take the strongest possible measures short of actual military action there by our own troops, but I doubt that that would be an eventuality.

MR. KRAFT. One quick followup. Did you clear the response you made with Secretary Schlesinger and Governor Harriman?

MR. CARTER. No, I did not.

THE MODERATOR. President Ford, your response.

THE PRESIDENT. Well, I firmly believe, Mr. Kraft, that it's unwise for a President to signal in advance what options he might exercise if any international problem arose.

I think we all recall with some sadness that at the period of the late 1940's,

¹ Governor of New York 1954–58 and Ambassador at Large 1961, 1965–68.

² Secretary of Defense 1973–75.

early 1950's, there were some indications that the United States would not include South Korea in an area of defense. There are some who allege—I can't prove it true or untrue—that such a statement, in effect, invited the North Koreans to invade South Korea. It's a fact they did.

But no President of the United States, in my opinion, should signal in advance to a prospective enemy what his decision might be or what option he might exercise. It's far better for a person sitting in the White House, who has a number of options, to make certain that the other side, so to speak, doesn't know precisely what you're going to do. And therefore, that was the reason that I would not identify any particular course of action when I responded to a question a week or so ago.

THE MODERATOR. Thank you.

Mr. Maynard, your question to President Ford, please.

MR. MAYNARD. Sir, this question concerns your administrative performance as President. The other day, General George Brown, the Chairman of the Joint Chiefs of Staff, delivered his views on several sensitive subjects, among them Great Britain, one of this country's oldest allies. He said, and I quote him now, "Great Britain—it's a pathetic thing, it just makes you cry. They are no longer a world power. All they have are generals, admirals, and bands." Since General Brown's comments have caused this country embarrassment in the past, why is he still this Nation's leading military officer?

THE PRESIDENT. I have indicated to General Brown that the words that he used in that interview, in that particular case, and in several others were very ill-advised. And General Brown has indicated his apology, his regrets, and I think that will, in this situation, settle the matter.

It is tragic that the full transcript of that interview was not released, and that there were excerpts, some of the excerpts, taken out of context—not this one, however—that you bring up.

General Brown has an exemplary record of military performance. He served this Nation with great, great skill and courage and bravery for 35 years. And I think it's the consensus of the people who are knowledgeable in the military field that he is probably the outstanding military leader and strategist that we have in America today.

Now, he did use ill-advised words. But I think in the fact that he apologized, that he was reprimanded, does permit him to stay on and continue that kind of leadership that we so badly need as we enter into negotiations under the SALT II agreement, or if we have operations that might be developing in the Middle East or in southern Africa or in the Pacific—we need a man with that experi-

ence, that knowledge, that know-how. And I think in light of the fact that he has apologized, would not have justified my asking for his resignation.

THE MODERATOR. Thank you.

Governor Carter, your response.

MR. CARTER. Well, just briefly, I think this is the second time that General Brown has made a statement for which he did have to apologize—and I know that everybody makes mistakes. I think the first one was related to the unwarranted influence of American Jews on the media and in the Congress. This one concerned Great Britain. I think he said Israel was a military burden on us and that Iran hoped to reestablish the Persian Empire.

I am not sure that I remembered earlier that President Ford had expressed his concern about the statement or apologized for it. This is something, though, that I think is indicative of a need among the American people to know how the Commander in Chief, the President, feels. And I think the only criticism that I would have of Mr. Ford is that immediately when the statement was revealed, perhaps a statement from the President would have been a clarifying and a very beneficial thing.

THE MODERATOR. Mr. Nelson, your question now to Governor Carter.

MR. NELSON. Governor, despite the fact that you've been running for President a long time now, many Americans still seem to be uneasy about you. They don't feel that they know you or the people around you. And one problem seems to be that you haven't reached out to bring people with broad background or national experience into your campaign or your Presidential plans. Most of the people around you on a day-to-day basis are the people you've known in Georgia. Many of them are young and relatively inexperienced in national affairs. Doesn't this raise a serious question as to whether you would bring into a Carter administration people with the necessary background to run the Federal Government?

MR. CARTER. I don't believe it does. I began campaigning 22 months ago. At that time nobody thought I had a chance to win. Very few people knew who I was. I came from a tiny town, as you know—Plains—and didn't hold public office, didn't have very much money. And my first organization was just four or five people plus my wife and my children, my three sons and their wives.

And we won the nomination by going out into the streets, barbershops, beauty parlors, restaurants, stores, in factory shift lines, also in farmers' markets and livestock sale barns, and we talked a lot and we listened a lot, and we learned from the American people. We built up an awareness among the voters of this country, particularly those in whose primaries I entered—30 of them, nobody has ever done that before—about who I was and what I stood for.

Now we have a very wide-ranging group of advisers who help me prepare for these debates and who teach me about international economics and foreign affairs, defense matters, health, education, welfare, government reorganization—I'd say several hundred of them, and they are very fine and very highly qualified.

The one major decision that I have made since acquiring the nomination—and I share this with President Ford—is the choice of the Vice President. I think this would be indicative of the kind of leaders that I would choose to help me if I am elected.

I chose Senator Walter Mondale. And the only criterion that I have put forward in my own mind was, who among the several million people in this country would be the best person qualified to be President if something should happen to me and to join me in being Vice President if I should serve out my term? And I'm convinced now, more than I was when I got the nomination, that Walter Mondale was the right choice. And I believe this is a good indication of the kind of people that I would choose in the future.

Mr. Ford has had that same choice to make. I don't want to say anything critical of Senator Dole, but I have never heard Mr. Ford say that that was his primary consideration—who is the best person I could choose in this country to be President of the United States.

I feel completely at ease knowing that some day Senator Mondale might very well be President. In the last five Vice-Presidential nominees, incumbents, three of them have become President. But I think this is indicative of what I would do.

THE MODERATOR. President Ford, your response please.

THE PRESIDENT. The Governor may not have heard my established criteria for the selection of a Vice President, but it was a well-established criteria that the person I selected would be fully qualified to be President of the United States. And Senator Bob Dole is so qualified—16 years in the House of Representatives and in the Senate, very high responsibilities on important committees.

I don't mean to be critical of Senator Mondale, but I was very, very surprised when I read that Senator Mondale made a very derogatory, very personal comment about General Brown after the news story that broke about General Brown. If my recollection is correct, he indicated that General Brown was not qualified to be a sewer commissioner. I don't think that's a proper way to describe a Chairman of the Joint Chiefs of Staff who has fought for his country for 35 years. And I'm sure the Governor would agree with me on that. I think Senator Dole would show more good judgment and discretion than to so describe a heroic and brave and very outstanding leader of the military.

So, I think our selection of Bob Dole as Vice President is based on merit. And

if he should ever become the President of the United States, with his vast experience as a Member of the House and a Member of the Senate, as well as a Vice President, I think he would do an outstanding job as President of the United States.

THE MODERATOR. Mr. Kraft, your question to President Ford.

MR. KRAFT. Mr. President, let me assure you and maybe some of the viewing audience that being on this panel hasn't been, as it may seem, all torture and agony. One of the heartening things is that I and my colleagues have received literally hundreds and maybe even thousands of suggested questions from ordinary citizens all across the country who want answers.

THE PRESIDENT. That's a tribute to their interest in this election.

MR. KRAFT. I will give you that. But let me go on, because one main subject on the minds of all of them has been the environment, particularly curious about your record. People really want to know why you vetoed the strip mining bill. They want to know why you worked against strong controls on auto emissions. They want to know why you aren't doing anything about pollution of the Atlantic Ocean. They want to know why a bipartisan organization such as the National League of Conservation Voters says that when it comes to environmental issues, you are—and I am quoting—"hopeless."

THE PRESIDENT. First, let me set the record straight. I vetoed the strip mining bill, Mr. Kraft, because it was the overwhelming consensus of knowledgeable people that that strip mining bill would have meant the loss of literally thousands of jobs, something around 140,000 jobs. Number two, that strip mining bill would have severely set back our need for more coal, and Governor Carter has said repeatedly that coal is the resource that we need to use more in the effort to become independent of the Arab oil supplies. So, I vetoed it because of a loss of jobs and because it would have interfered with our energy independence program.

The auto emissions—it was agreed by Leonard Woodcock, the head of the UAW, and by the heads of all of the automobile industry—we had labor and management together saying that those auto emission standards had to be modified.

But let's talk about what the Ford administration has done in the field of environment. I have increased, as President, by over 60 percent, the funding for water treatment plants in the United States, the Federal contribution. I have fully funded the land and water conservation program; in fact, have recommended, and the Congress approved, a substantially increased land and water conservation program.

I have added in the current year budget, the funds for the National Park Service. For example, we proposed about \$12 million to add between 400 and 500 more employees for the National Park Service.

And a month or so ago, I did likewise say over the next 10 years we should expand—double—the national parks, the wilderness areas, the scenic river areas. And then, of course, the final thing is that I have signed and approved of more scenic rivers, more wilderness areas since I've been President than any other President in the history of the United States.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, I might say I think the League of Conservation Voters is absolutely right. This administration's record of environment is very bad.

I think it's accurate to say that the strip mining law, which was passed twice by the Congress and only lacked two votes, I believe, of being overridden, would have been good for the country. The claim that it would have put 140,000 miners out of work is hard to believe when at the time Mr. Ford vetoed it, the United Mine Workers was supporting the bill. And I don't think they would have supported the bill had they known that they would lose 140,000 jobs.

There has been a consistent policy on the part of this administration to lower or to delay enforcement of air pollution standards and water pollution standards. And under both Presidents Nixon and Ford, moneys have been impounded that would have gone to cities and others to control water pollution.

We have no energy policy. We, I think, are the only developed nation in the world that has no comprehensive energy policy to permit us to plan, in an orderly way, how to shift from increasing the scarce energy forms—oil—and have research and development concentrated on the increased use of coal, which I strongly favor—the research and development to be used primarily to make the coal burning be clean.

We need a heritage trust program, similar to the one we had in Georgia, to set aside additional lands that have geological and archeological importance, natural areas for enjoyment. The lands that Mr. Ford brags about having approved are in Alaska, and they are enormous in size, but as far as the accessibility of them by the American people, is very far in the future.

We have taken no strong position in the control of pollution of our oceans. And I would say the worst threat to the environment of all is nuclear proliferation. And this administration, having been in office now for 2 years or more, has still not taken a strong and bold action to stop the proliferation of nuclear waste around the world, particularly plutonium.

Those are some brief remarks about the failures of this administration. I would do the opposite in every respect.

THE MODERATOR. Mr. Maynard to Governor Carter.

MR. MAYNARD. Governor, Federal policy in this country since World War II has tended to favor the development of suburbs at the great expense of central cities. Does not the Federal Government now have an affirmative obligation to revitalize the American city? We have heard little in this campaign suggesting that you have an urban reconstruction program. Could you please outline your urban intentions for us tonight?

MR. CARTER. Yes, I would be glad to. In the first place, as is the case with the environmental policy and energy policy that I just described, and the policy for nonproliferation of nuclear waste, this administration has no urban policy. It's impossible for mayors or Governors to cooperate with the President, because they can't anticipate what is going to happen next.

A mayor of a city like New York, for example, needs to know 18 months or 2 years ahead of time what responsibility the city will have in administration and in financing, in things like housing, pollution control, crime control, education, welfare and health. This has not been done, unfortunately. I remember the headline in the Daily News that said, "Ford To New York—Drop Dead."

I think it's very important that our cities know that they have a partner in the Federal Government. Quite often, Congress has passed laws in the past designed to help people with the ownership of homes and with the control of crime and with adequate health care and better education programs and so forth. Those programs were designed to help those who need it most, and quite often this has been in the very poor people and neighborhoods in the downtown urban centers. Because of the greatly advantaged persons who live in the suburbs—better education, better organization, more articulate, more aware of what the laws are—quite often this money has been channeled out of the downtown centers where it's needed.

Also, I favor all revenue sharing money being used for local governments and also to remove the prohibitions in the use of revenue sharing money, so that it can be used to improve education and health care. We have now, for instance, only 7 percent of the total education costs being financed by the Federal Government. When the Nixon-Ford administration started, this was 10 percent. That's a 30-percent reduction in the portion that the Federal Government contributes to education in just 8 years and, as you know, the education costs have gone up tremendously.

The last point is that the major thrust has got to be to put people back to

work. We've got an extraordinarily high unemployment rate among downtown, urban ghetto areas; particularly among the very poor and particularly among minority groups, sometimes 50 or 60 percent.

And the concentration of employment opportunities in those areas would help greatly not only to reestablish the tax base, but also to help reduce the extraordinary welfare costs. One of the major responsibilities on the shoulders of New York City is to finance welfare. And I favor the shifting of the welfare cost away from the local governments altogether and, over a longer period of time, let the Federal Government begin to absorb part of it that is now paid by the State government. Those things would help a great deal with the cities, but we still have a very serious problem there.

THE MODERATOR. President Ford.

THE PRESIDENT. Let me speak out very strongly. The Ford administration does have a very comprehensive program to help our major metropolitan areas. I fought for, and the Congress finally went along with, a general revenue sharing program whereby cities and States—the cities, two-thirds, and the States, one-third—get over \$6 billion a year, in cash, with which they can provide many, many services, whatever they really want.

In addition, we in the Federal Government make available to cities about \$3,300 million in what we call community developments. In addition, as a result of my pressure on the Congress, we got a major mass transit program over a 4-year period—\$11,800 million. We have a good housing program that will result in cutting the downpayments by 50 percent and having mortgage payments lower at the beginning of any mortgage period. We are expanding our homestead housing program.

The net result is, we think, under Carla Hills, who is the Chairman of my Urban Development and Neighborhood Revitalization program, we will really do a first-class job in helping the communities throughout the country. As a matter of fact, that committee, under Secretary Hills, released about a 75-page report with specific recommendations, so we can do a better job in the weeks ahead.

And in addition, the tax program of the Ford administration, which provides an incentive for industry to move into our major metropolitan areas, into the inner cities, will bring jobs where people are and help to revitalize those cities as they can be.

THE MODERATOR. Mr. Nelson, your question next to President Ford.

MR. NELSON. Mr. President, your campaign has run ads in black newspapers saying that "for black Americans, President Ford is quietly getting the

job done." Yet, study after study has shown little progress in desegregation and, in fact, actual increases in segregated schools and housing in the Northeast.

Now, civil rights groups have complained repeatedly that there has been lack of progress in commitment to an integrated society during your administration. So, how are you getting the job done for blacks and other minorities, and what programs do you have in mind for the next 4 years?

THE PRESIDENT. Well, let me say at the outset, I am very proud of the record of this administration. In the Cabinet I have one of the outstanding, I think, administrators as the Secretary of Transportation—Bill Coleman. You are familiar, I am sure, with the recognition given in the Air Force to General James. And there was just approved a three-star admiral, the first in the history of the United States Navy. So, we are giving full recognition to individuals, of quality in the Ford administration in positions of great responsibility.

In addition, the Department of Justice is fully enforcing, and enforcing effectively, the Voting Rights Act—the legislation that involves jobs, housing for minorities, not only blacks but all others.

The Department of HUD is enforcing the new legislation that takes care of redlining. What we are doing is saying that there are opportunities—business opportunities, educational opportunities, responsibilities—where people with talent—blacks or any other minority—can fully qualify.

The office of minority business in the Department of Commerce has made available more money in trying to help black businessmen, or other minority businessmen, than any other administration since the office was established.

The office of small business, under Mr. Kobelinski, has a very massive program trying to help the black community. The individual who wants to start a business or expand his business as a black businessman is able to borrow either directly or with guaranteed loans.

I believe on the record that this administration has been responsive and we have carried out the law to the letter, and I am proud of the record.

THE MODERATOR. Governor Carter, your response, please.

MR. CARTER. The description just made of this administration's record is hard to recognize. I think it is accurate to say that Mr. Ford voted against the voting rights acts and against the civil rights acts in their debate stage. I think once it was assured they were going to pass, he finally voted for it.

This country changed drastically in 1969 when the terms of John Kennedy and Lyndon Johnson were over, and Richard Nixon and Gerald Ford became the Presidents. There was a time when there was hope for those who were poor

and downtrodden and who were elderly or who were ill or who were in minority groups. That time has been gone.

I think the greatest thing that ever happened to the South was the passage of the civil rights acts and the opening up of opportunities to black people, to have a chance to vote, to hold a job, to buy a house, to go to school, and to participate in public affairs. It not only liberated black people but it also liberated the whites.

We have seen in many instances in recent years a minority affairs section of a small loan administration, Small Business Administration, lend a black entrepreneur just enough money to get started, and then to go bankrupt. The bankruptcies have gone up an extraordinary degree.

The FHA [Federal Housing Administration], which used to be a very responsible agency that everyone looked to to help own a home, lost \$600 million last year. There have been over 1,300 indictments in HUD, over 800 convictions relating just to home loans. And now the Federal Government has become the world's greatest slum landlord.

We've got a 30-percent or 40-percent unemployment rate among minority young people. And there has been no concerted effort given to the needs of those who are both poor and black, or poor and who speak a foreign language. And that's where there has been a great generation of despair and ill-health and lack of education and lack of purposefulness and a lack of hope for the future.

But it doesn't take just a quiet, dormant, minimum enforcement of the law. It requires an aggressive searching out and reaching out to help people who especially need it. And that's been lacking in the last 8 years.

THE MODERATOR. Mr. Kraft, to Governor Carter.

MR. KRAFT. Governor Carter, in the nearly 200-year history of the Constitution, there have been only, I think it is, 25 amendments, most of them on issues of the very broadest principle. Now we have proposed amendments in many highly specialized causes like gun control, school busing, balanced budget, school prayer, abortion, things like that. Do you think it's appropriate to the dignity of the Constitution to tack on amendments in a wholesale fashion, and which of the ones I listed—that is, balanced budget, school busing, school prayer, abortion, gun control—which of those would you really work hard to support if you were President?

MR. CARTER. I would not work hard to support any of those. We have always had, I think, a lot of constitutional amendments proposed but the passage of them has been fairly slow and few and far between. In the 200-year history, there has been a very cautious approach to this. Quite often we have a transient

problem. I am strongly against abortion. I think abortion is wrong. I don't think the Government ought to do anything to encourage abortion, but I don't favor a constitutional amendment on the subject. But short of a constitutional amendment, and within the confines of a Supreme Court ruling, I will do everything I can to minimize the need for abortions with better sex education, family planning, with better adoptive procedures. I personally don't believe that the Federal Government ought to finance abortions, but I draw the line and don't support a constitutional amendment. However, I honor the right of people to seek the constitutional amendments on school busing, on prayer in the schools, and on abortion, but among those you named, I won't actively work for the passage of any of them.

THE MODERATOR. President Ford, your response, please.

THE PRESIDENT. I support the Republican platform which calls for a constitutional amendment that would outlaw abortions. I favor the particular constitutional amendment that would turn over to the States the individual right of the voters in those States the chance to make a decision by public referendum. I call that the peoples' amendment. I think if you really believe that the people of a State ought to make a decision on a matter of this kind, that we ought to have a Federal constitutional amendment that would permit each one of the 50 States to make the choice.

I think this is a reasonable and proper way to proceed. I believe also that there is some merit to an amendment that Senator Everett Dirksen proposed very frequently, an amendment that would change the Court decision as far as voluntary prayer in public schools. It seems to me that there should be an opportunity, as long as it's voluntary, as long as there is no compulsion whatsoever, that an individual ought to have that right.

So, in those two cases I think such a constitutional amendment would be proper. And I really don't think in either case they are trivial matters. I think they are matters of very deep conviction as far as many, many people in this country believe, and therefore they shouldn't be treated lightly, but they are matters that are important. And in those two cases I would favor them.

THE MODERATOR. Mr. Maynard, to President Ford.

MR. MAYNARD. Mr. President, twice you have been the intended victim of would-be assassins using handguns, yet you remain a steadfast opponent of substantive handgun control. There are now some 40 million handguns in this country, going up at the rate of 2.5 million a year, and tragically those handguns are frequently purchased for self-protection and wind up being used against

a relative or a friend. In light of that, why do you remain so adamant in your opposition to substantive gun control in this country?

THE PRESIDENT. Mr. Maynard, the record of gun control, whether it's in one city or another or in some States does not show that the registration of a gun, handgun, or the registration of the gun owner has in any way whatsoever decreased the crime rate or the use of that gun in the committing of a crime. The record just doesn't prove that such legislation or action by a local city council is effective.

What we have to do—and this is the crux of the matter—is to make it very, very difficult for a person who uses a gun in the commission of a crime to stay out of jail. If we make the use of a gun in the commission of a crime a serious criminal offense and that person is prosecuted, then in my opinion we are going after the person who uses the gun for the wrong reason. I don't believe in the registration of handguns or the registration of the handgun owner. That has not proven to be effective. And, therefore, I think the better way is to go after the criminal, the individual who commits a crime in the possession of a gun and uses that gun for a part of his criminal activity.

Those are the people who ought to be in jail. And the only way to do it is to pass strong legislation so that once apprehended, indicted, convicted, they will be in jail and off the streets and not using guns in the commission of a crime.

MR. MAYNARD. But, Mr. President, don't you think that the proliferation of the availability of handguns contributes to the possibility of those crimes being committed? And there is a second part to my followup. Very quickly, there are, as you know and as you've said, jurisdictions around the country with strong gun control laws. The police officials in those cities contend that if there were a national law to prevent other jurisdictions from providing the weapons that then come into places like New York, that they might have a better handle on the problem. Have you considered that in your analysis of the handgun proliferation problem?

THE PRESIDENT. Yes, I have, and the individuals with whom I have consulted have not convinced me that a national registration of handguns or handgun owners will solve the problem you are talking about. The person who wants to use a gun for an illegal purpose can get it whether it's registered or outlawed—they will be obtained—and they are the people who ought to go behind bars. You should not, in the process, penalize the legitimate handgun owner. And when you go through the process of registration, you, in effect, are penalizing that individual who uses his gun for a very legitimate purpose.

THE MODERATOR. GOVERNOR CARTER.

MR. CARTER. I think it's accurate to say that Mr. Ford's position on gun control has changed. Earlier, Mr. Levi, his Attorney General, put forward a gun control proposal which Mr. Ford later, I believe, espoused that called for the prohibition against the sale of the so-called "Saturday night specials." It would have put very strict control over who owned a handgun.

I have been a hunter all my life and happen to own both shotguns, rifles, and a handgun. And the only purpose that I would see in registering handguns and not long guns of any kind would be to prohibit the ownership of those guns by those who have used them in the commission of a crime or who have been proven to be mentally incompetent to own a gun. I believe that limited approach to the question would be advisable, and I think adequate, but that's as far as I would go with it.

THE MODERATOR. Mr. Nelson, to Governor Carter.

MR. NELSON. Governor, you've said the Supreme Court today is, as you put it, moving back in the proper direction in rulings that have limited the rights of criminal defendants, and you've compared the present Supreme Court under Chief Justice Burger very favorably with the more liberal Court that we had under Chief Justice Warren. So, exactly what are you getting at, and can you elaborate on the kind of Court you think this country should have? And can you tell us the kind of qualifications and philosophy you would look for as President in making Supreme Court appointments?

MR. CARTER. While I was Governor of Georgia, although I am not a lawyer, we had complete reform of the Georgia court system. We streamlined the structure of the courts, put in administrative offices, put a unified court system in, and required that all severe sentences be reviewed for uniformity; and, in addition to that, put forward a proposal that was adopted and used throughout my own term of office—selection of all judges and district attorneys, prosecuting attorneys, on the basis of merit.

Every time I had a vacancy on the Georgia Supreme Court—and I filled five of those vacancies out of seven total, and about half of the Court of Appeals judges, about 35 percent of the trial judges—I was given from an objective panel the five most highly qualified persons in Georgia, and from those five I always chose the first or second one. So, merit selection of judges is the most important single criterion. And I would institute the same kind of procedure as President, not only in judicial appointments but also in diplomatic appointments.

Secondly, I think that the Burger Court has fairly well confirmed the major and most far-reaching and most controversial decisions of the Warren Court.

Civil rights has been confirmed by the Burger Court. It hasn't been reversed. And I don't think there is any inclination to reverse those basic decisions—of the one man-one vote rule, which is a very important one that struck down the unwarranted influence in the legislature of sparsely populated areas of the States. The right of indigent or very poor accused persons to legal counsel—I think the Burger Court has confirmed that basic and very controversial decision of the Warren Court. Also, the protection of an arrested person against unwarranted persecution in trying to get a false confession.

But now, I think there have been a couple of instances where the Burger Court has made technical rulings where an obviously guilty person was later found to be guilty. And I think that in that case some of the more liberal members of the so-called Warren Court agreed with those decisions.

But the only thing that I have pointed out was what I've just said, and that there was a need to clarify the technicalities so that you couldn't be forced to release a person who is obviously guilty just because of a small technicality in the law. And that's a reversal of position by the Burger Court with which I do agree.

MR. NELSON. Governor, I don't believe you answered my question, though, about the kinds of people you would be looking for for the Court, the type of philosophy you would be looking for if you were making appointments to the Supreme Court as President.

MR. CARTER. Okay, I thought I answered it by saying that it would be on the basis of merit. Once the search and analysis procedure had been completed, and once I am given a list of the 5 or 7 or 10 best qualified persons in the country, I would make a selection from among those persons. If the list was in my opinion fairly uniform, if there was no outstanding person, then I would undoubtedly choose someone who would most accurately reflect my own basic political philosophy, as best as I could determine it, which would be to continue the progress that has been made under the last two Courts—the Warren Court and the Burger Court.

I would also like to completely revise our criminal justice system to do some of the things at the Federal level and court reform that I just described, as has been done in Georgia and other States. And I would like to appoint people who would be interested in helping with that. I know Chief Justice Burger is. He hasn't had help yet from the administration and from the Congress to carry this out.

The emphasis, I think, of the court system should be to interpret the Constitution and the laws equally between property protection and personal protection. But when there is a very narrow decision—which quite often is one that

reaches the Supreme Court—I think the choice should be with human rights, and that would be another factor that I would follow.

THE MODERATOR. President Ford.

THE PRESIDENT. I think the answer as to the kind of person that I would select is obvious. I had one opportunity to nominate an individual to the Supreme Court, and I selected the Circuit Court of Appeals judge from Illinois, John Paul Stevens. I selected him because of his outstanding record as a Circuit Court of Appeals judge. And I was very pleased that an overwhelmingly Democratic United States Senate, after going into his background, came to the conclusion that he was fit and should serve, and the vote in his behalf was overwhelming.

So, I would say somebody in the format of Justice Stevens would be the kind of an individual that I would select in the future, as I did him in the past.

I believe, however, a comment ought to be made about the direction of the Burger Court vis-a-vis the Court that preceded it. It seems to me that the *Miranda* case was a case that really made it very, very difficult for the police, the law enforcement people in this country, to do what they could to make certain that the victim of a crime was protected and that those that commit crimes were properly handled and sent to jail. The *Miranda* case, the Burger Court is gradually changing. And I am pleased to see that there are some steps being made by the Burger Court to modify the so-called *Miranda* decision.

I might make a correction of what Governor Carter said, speaking of gun control. Yes, it is true, I believe that the sale of Saturday night specials should be cut out, but he wants the registration of handguns.

THE MODERATOR. Mr. Kraft.

MR. KRAFT. Mr. President, the country is now in something that your advisers call an economic pause. I think to most Americans that sounds like an antiseptic term for low growth, unemployment, standstill at a high, high level, decline in take-home pay, lower factory earnings, more layoffs. Isn't that really a rotten record, and doesn't your administration bear most of the blame for it?

THE PRESIDENT. Well, Mr. Kraft, I violently disagree with your assessment, and I don't think the record justifies the conclusion that you come to. Let me talk about the economic announcements that were made just this past week.

Yes, it was announced that the GNP real growth in the third quarter was at 4 percent. But do you realize that over the last 10 years that's a higher figure than the average growth during the 10-year period. Now, it's lower than the 9.2-percent growth in the first quarter and it's lower than the 5-percent growth in the second quarter. But, every economist—liberal, conservative—that I am

familiar with, recognizes that in the fourth quarter of this year and in the first quarter of next year that we will have an increase in real GNP.

But now let's talk about the pluses that came out this week. We had an 18-percent increase in housing starts. We had a substantial increase in new permits for housing. As a matter of fact, based on the announcement this week, there will be at an annual rate, 1 million 800-some thousand new houses built, which is a tremendous increase over last year and a substantial increase over the earlier part of this year.

Now, in addition, we had some very good news in the reduction in the rate of inflation, and inflation hits everybody—those who are working and those who are on welfare. The rate of inflation, as announced just the other day, is under 5 percent, and the 4.4 percent that was indicated at the time of the 4 percent GNP, was less than the 5.4 percent. It means that the American buyer is getting a better bargain today because inflation is less.

MR. KRAFT. Mr. President, let me ask you this: There has been an increase in layoffs, and that's something that bothers everybody because even people that have a job are afraid they are going to be fired. Did you predict that increase in layoffs? Didn't that take you by surprise? Hasn't your administration been surprised by this pause? In fact, haven't you been so obsessed with saving money that you didn't even push the Government to spend funds that were allocated?

THE PRESIDENT. Mr. Kraft, I think the record can be put in this way, which is the way that I think satisfies most Americans: Since the depths of the recession, we have added 4 million jobs. Most importantly, consumer confidence, as surveyed by the reputable organization at the University of Michigan, is at the highest since 1972.

In other words, there is a growing public confidence in the strength of this economy. And that means that there will be more industrial activity; it means that there will be a reduction in the unemployment; it means that there will be increased hires; it means that there will be increased employment.

Now, we've had this pause but most economists, regardless of their political philosophy, indicate that this pause for a month or two was healthy because we could not have honestly sustained a 9.2 percent rate of growth, which we had in the first quarter of this year.

Now, I'd like to point out as well that the United States economic recovery from the recession of a year ago, is well ahead of the economic recovery of any major free industrial nation in the world today. We are ahead of all of the

Western European countries. We are ahead of Japan. The United States is leading the free world out of the recession that was serious a year and a half ago.

We are going to see unemployment going down, more jobs available, and the rate of inflation going down. And I think this is a record that the American people understand and will appreciate.

THE MODERATOR. Governor Carter.

MR. CARTER. Well, with all due respect to President Ford, I think he ought to be ashamed of making that statement because we have the highest unemployment rate now than we had at any time between the Great Depression, caused by Herbert Hoover, and the time President Ford took office. We have got 7½ million people out of jobs. Since he has been in office, 2½ million more American people have lost their jobs. In the last 4 months alone, 500,000 Americans have gone on the unemployment rolls. In the last month, we've had a net loss of 163,000 jobs.

Anybody who says that the inflation rate is in good shape now ought to talk to the housewives. One of the overwhelming results that I have seen in places is people feel that you can't plan any more, there is no way to make a prediction that my family might be able to own a home or to put my kids through college. Saving accounts are losing money instead of gaining money. Inflation is robbing us.

Under the present administrations—Nixon's and Ford's—we have had three times the inflation rate that we experienced under President Johnson and President Kennedy. The economic growth is less than half today what it was at the beginning of this year. And housing starts—he compares the housing starts with last year, I don't blame him because in 1975 we had fewer housing starts in this country, fewer homes built than any year since 1940. That's 35 years. And we've got a 35-percent unemployment rate in many areas of this country among construction workers. And Mr. Ford hasn't done anything about it. And I think this shows a callous indifference to the families that have suffered so much. He has vetoed bills passed by Congress within the congressional budget guidelines—job opportunities for 2 million Americans. We will never have a balanced budget, we will never meet the needs of our people, we will never control the inflationary spiral as long as we have 7½ or 8 million people out of work who are looking for jobs. And we have probably got 2½ more million people who are not looking for jobs any more because they've given up hope. That is a very serious indictment of this administration. It's probably the worst one of all.

THE MODERATOR. Mr. Maynard.

MR. MAYNARD. Governor Carter, you entered this race against President Ford with a 20-point lead or better in the polls and now it appears that this campaign is headed for a photo finish. You have said how difficult it is to run against a sitting President, but Mr. Ford was just as much an incumbent in July when you were 20 points ahead as he is now. Can you tell us what caused the evaporation of that lead, in your opinion?

MR. CARTER. Well, that's not exactly an accurate description of what happened. When I was that far ahead it was immediately following the Democratic Convention and before the Republican Convention. At that time 25 or 30 percent of the Reagan supporters said that they would not support President Ford, but as occurred at the end of the Democratic Convention, the Republican Party unified itself, and I think immediately following the Republican Convention there was about a 10-point spread. I believe that to be accurate. I had 49 percent; President Ford had 39 percent.

The polls are good indications of fluctuations, but they vary widely one from another, and the only poll I've ever followed is the one that, you know, is taken on Election Day. I was in 30 primaries in the spring and at first it was obvious that I didn't have any standing in the polls. As a matter of fact, I think when Gallup ran their first poll in December 1975, they didn't even put my name on the list. They had 35 people on the list—my name wasn't even there. At the beginning of the year, I had about 2 percent. So the polls, to me, are interesting, but they don't determine my hopes or my despair.

I campaign among people. I have never depended on powerful political figures to put me in office. I have a direct relationship with hundreds of thousands of people around the country who actively campaign for me. In Georgia alone, for instance, I got 84 percent of the vote, and I think there were 14 people in addition to myself on the ballot, and Governor Wallace had been very strong in Georgia. That is an overwhelming support from my own people who know me best. And today we have about 500 Georgians at their own expense, just working people who believe in me, spread around the country involved in the political campaign.

So the polls are interesting, but I don't know how to explain the fluctuations. I think a lot of it depends on current events—sometimes foreign affairs, sometimes domestic affairs. But I think our core of support among those who are crucial to the election has been fairly steady. And my success in the primary season was, I think, notable for a newcomer, from someone who's outside of Washington, who never has been a part of the Washington establishment. And

I think that we will have a good result on November 2 for myself and I hope for the country.

THE MODERATOR. President Ford, your response.

THE PRESIDENT. I think the increase in the prospects as far as I am concerned and the less favorable prospects for Governor Carter reflect that Governor Carter is inconsistent in many of the positions that he takes. He tends to distort on a number of occasions. Just a moment ago, for example, he was indicating that in the 1950's, for example, unemployment was very low. He fails to point out that in the 1950's we were engaged in the war in Vietnam—I mean in Korea. We had 3,500,000 young men in the Army, Navy, Air Force, and Marines. That's not the way to end unemployment or to reduce unemployment.

At the present time, we are at peace. We have reduced the number of people in the Army, Navy, Air Force, and Marines from 3,500,000 to 2,100,000. We are not at war. We have reduced the military manpower by 1,400,000. If we had that many more people in the Army, the Navy, the Air Force, and Marines, our unemployment figure would be considerably less.

But this administration doesn't believe the way to reduce unemployment is to go to war or to increase the number of people in the military. So, you cannot compare unemployment, as you sought to, at the present time, with the 1950's, because the then administration had people in the military. They were at war. They were fighting overseas. And this administration has reduced the size of the military by 1,400,000. They are in the civilian labor market, and they are not fighting anywhere around the world today.

THE MODERATOR. Thank you, gentlemen.

This will complete our questioning for this debate. We don't have time for more questions and full answers. So, now each candidate will be allowed up to 4 minutes for a closing statement. And, at the original coin toss in Philadelphia a month ago, it was determined that President Ford would make the first closing statement tonight.

President Ford.

THE PRESIDENT. For 25 years, I served in the Congress under five Presidents. I saw them work, I saw them make very hard decisions. I didn't always agree with their decisions, whether they were Democratic or Republican Presidents. For the last 2 years, I've been the President, and I have found from experience that it's much more difficult to make those decisions than it is to second guess them.

I became President at the time that the United States was in a very troubled time. We had inflation of over 12 percent; we were on the brink of the worst

recession in the last 40 years; we were still deeply involved in the problems of Vietnam; the American people had lost faith and trust and confidence in the Presidency itself. That situation called for me to first put the United States on a steady course and to keep our keel well-balanced, because we had to face the difficult problems that had all of a sudden hit America.

I think most people know that I did not seek the Presidency, but I am asking for your help and assistance to be President for the next 4 years. During this campaign, we've seen a lot of television shows, a lot of bumper stickers, and a great many slogans of one kind or another, but those are not the things that count. What counts is that the United States celebrated its 200th birthday on July 4. As a result of that wonderful experience all over the United States, there is a new spirit in America. The American people are healed, are working together. The American people are moving again and moving in the right direction.

We have cut inflation by better than half. We have come out of the recession, and we are well on the road to real prosperity in this country again. There has been a restoration of faith and confidence and trust in the Presidency because I've been open, candid, and forthright. I have never promised more than I could produce and I have produced everything that I promised. We are at peace—not a single young American is fighting or dying on any foreign soil tonight. We have peace with freedom.

I've been proud to be President of the United States during these very troubled times. I love America just as all of you love America. It would be the highest honor for me to have your support on November 2 and for you to say, "Jerry Ford, you've done a good job; keep on doing it."

Thank you, and good night.

THE MODERATOR. Thank you, President Ford.

Governor Carter.

MR. CARTER. The major purpose of an election for President is to choose a leader, someone who can analyze the depths of feeling in our country, to set a standard for our people to follow, to inspire people to reach for greatness, to correct our defects, to answer difficulties, to bind ourselves together in a spirit of unity.

I don't believe the present administration has done that. We have been discouraged and we've been alienated, sometimes we've been embarrassed, sometimes we've been ashamed. Our people are out of work, and there is a sense of withdrawal.

But our country is innately very strong. Mr. Ford is a good and decent man, but he has been in office now more than 800 days, approaching almost as long

as John Kennedy was in office. I would like to ask the American people what has been accomplished. A lot remains to be done.

My own background is different from his. I was a school board member and a library board member, I served on a hospital authority, and I was in the State senate, and I was Governor and I am an engineer, a naval officer, a farmer, a businessman. I believe we require someone who can work harmoniously with the Congress and can work closely with the people of this country, and who can bring a new image and a new spirit to Washington.

Our tax structure is a disgrace and needs to be reformed. I was Governor of Georgia for 4 years. We never increased sales taxes or income tax or property taxes. As a matter of fact, the year before we went out of office we gave a \$50 million refund to the property taxpayers of Georgia.

We spend \$600 per person in this country—every man, woman, and child—for health care. We still rank 15th among all of the nations in the world in infant mortality, and our cancer rate is higher than any country in the world. We don't have good health care. We could have it.

Employment ought to be restored to our people. We have become almost a welfare state. We spend now 700 percent more on unemployment compensation than we did 8 years ago when the Republicans took over the White House. Our people want to go back to work. Our education system can be improved. Secrecy ought to be stripped away from government, and a maximum of personal privacy ought to be maintained. Our housing programs have gone bad. It used to be that the average family could own a house, but now less than a third of our people can afford to buy their own homes.

The budget was more grossly out of balance last year than ever before in the history of our country—\$65 billion—primarily because our people are not at work. Inflation is robbing us, as we've already discussed, and the Government bureaucracy is just a horrible mess.

This doesn't have to be. I don't know all of the answers. Nobody could. But I do know that if the President of the United States and the Congress of the United States and the people of the United States said, "I believe our Nation is greater than what we are now," I believe that if we are inspired, if we can achieve a degree of unity, if we can set our goals high enough and work toward recognized goals with industry and labor and agriculture along with Government at all levels, we can achieve great things.

We might have to do it slowly. There are no magic answers to it, but I believe together we can make great progress, we can correct our difficult mistakes and answer those very tough questions.

I believe in the greatness of our country, and I believe the American people are ready for a change in Washington. We have been drifting too long. We have been dormant too long. We have been discouraged too long. And we have not set an example for our own people, but I believe that we can now establish in the White House a good relationship with Congress, a good relationship with our people, set very high goals for our country, and with inspiration and hard work we can achieve great things and let the world know—that's very important, but more importantly, let the people in our own country realize—that we still live in the greatest Nation on Earth.

Thank you very much.

THE MODERATOR. Thank you, Governor Carter, and thank you, President Ford. I also would like to thank the audience and my three colleagues—Mr. Kraft, Mr. Maynard, and Mr. Nelson, who have been our questioners.

This debate has, of course, been seen by millions of Americans, and in addition tonight is being broadcast to 113 nations throughout the world.

This concludes the 1976 Presidential debates, a truly remarkable exercise in democracy, for this is the first time in 16 years that the Presidential candidates have debated. It is the first time ever that an incumbent President has debated his challenger, and the debate included the first between the two Vice-Presidential candidates.

President Ford and Governor Carter, we not only want to thank you but we commend you for agreeing to come together to discuss the issues before the American people.

And our special thanks to the League of Women Voters for making these events possible. In sponsoring these events, the League of Women Voters Education Fund has tried to provide you with the information that you will need to choose wisely.

The election is now only 11 days off. The candidates have participated in presenting their views in three 90-minute debates, and now it's up to the voters, and now it is up to you to participate. The League urges all registered voters to vote on November 2 for the candidate of your choice.

And now, from Phi Beta Kappa Memorial Hall on the campus of the College of William and Mary, this is Barbara Walters wishing you all a good evening.

NOTE: The debate began at 9:30 p.m. at the Phi Beta Kappa Memorial Hall on the campus of the College of William and Mary in Williamsburg, Virginia. It was broadcast live on radio and television.

948

Remarks in Richmond, Virginia. October 23, 1976

THANK YOU very, very much, Governor Godwin. It is a very high honor and a very great privilege for me to be in this great State capital and have the kind and very generous observations and compliments by your great Governor, Mills Godwin.

May I say it's a pleasure, also, to be on the platform with Congressman Ken Robinson, Lieutenant Governor Dalton, and my old and very dear friend—who I served with in the Congress of the United States for many, many years—former Governor Tuck.

Distinguished officials, ladies and gentlemen: At Kansas City, I said that I would not concede a single State, I would not concede a single vote; that I would campaign from the snowy banks of Minnesota to the sandy plains of Georgia. I've kept that pledge—just today, Virginia, North Carolina, South Carolina, ending up in California. So, let me say without any hesitation or reservation, we are going to see as many people as we can to keep that pledge that I would not concede a single vote or a single State.

I had, last night, one of the greatest honors—to spend the night with Governor Mills Godwin and his lovely wife, Catherine. Back in the days when Governor Godwin was a Democratic Governor of the Commonwealth of Virginia, I envied him, I respected him, and I had a long hope that some day we could be together. And let me say very, very strongly that Governor Mills Godwin is one of the giants of American politics, and we are proud of him.

But I'm also proud to say that Virginia is the second home of the Ford family. We lived in Alexandria for some 25 years before we moved into the White House. In fact, for the first few days after taking the oath of office on August 9, 1974, we lived in our home in Alexandria and actually commuted to the White House and to the Oval Office. So one could honestly say, for a limited period of time, Virginia was the White House for the United States.

Our four children went to the public schools in Alexandria. I paid taxes in the State of Virginia. I even belong to the Friendship Veterans Fire Engine Company in Alexandria, Virginia, thanks to my good friend Marshall Beverley of Alexandria. [*Laughter*]

Yes, the Commonwealth is widely known, and properly so, as the Mother of Presidents, and I am proud to be an adopted son. Our Bicentennial celebration vividly reminds us of the native sons and daughters of Virginia who have

written glorious chapters in the history of this great country. Their names are American legends—George and Martha Washington, Jefferson, Madison, Monroe, Patrick Henry, George Mason, William Henry Harrison, Zachary Taylor, John Tyler, Woodrow Wilson, John Marshall, Robert E. Lee, Harry Byrd, Senior, and now Harry Byrd, Junior.

In this campaign, you know where I stand. I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength, and for peace in the world. I stand for your principles. Can I count on your support November 2?

After so many years of war, America is enjoying the blessings of peace with freedom. Not a single young American is fighting and dying today on any foreign battlefield, and I intend to keep it that way. Not a single American wife or sweetheart, mother or father, is wondering whether their loved ones will be a wartime casualty tomorrow, and I intend to keep it that way.

After so many years in which America's defensive needs were shortchanged, I proposed in 1975 and again in 1976, the two largest defense outlays in America's history and convinced the Congress to stop slashing away at our military spending and our defense capability.

After many, many years of runaway growth in the Federal budget, I submitted a budget for fiscal year 1977 which cut the rate of growth in Federal spending in half. I have held the line on Government spending with 64 vetoes and saved the hard-pressed taxpayers \$9 billion. Because I have not been afraid to say no to excessive spending, we will submit a balanced Federal budget by 1978, and we'll have another tax cut in the meantime for the hard-pressed American taxpayer.

The Commonwealth of Virginia has a well-deserved reputation for financial integrity, and I will do my very best in the next 4 years to see that your Federal Government matches that reputation you've so well earned under Governor Mills Godwin.

After so many years of uncontrolled inflation, we've cut inflation in half, and we'll do even better in the future, because you know, as I know, that inflation is the cruelest tax of all. It hits all segments of our population, but particularly those who live on fixed incomes.

Now, after the worst recession in this country in the last 40 years, we have added 4 million new jobs to the American economy—not by creating dead-end jobs at the taxpayer's expense, but by stimulating jobs with a future in the private economy, where five out of the six jobs in America exist today. Still, too many people are out of work; we are not satisfied with the progress that we

have made. But more Americans were working in 1976 than ever before in the history of this country, nearly 88 million, and that's a tremendous comeback from where we were just 18 months ago.

After suffering a tragic betrayal of public trust 2 years ago, America has had its faith restored in the White House. My administration has been open, candid, forthright, and we will keep it that way during the next 4 years. As I told the Southern Baptist Convention in Norfolk earlier this year, I firmly believe that private morality and public service can and must go hand-in-hand, and it will under a Ford administration.

This is only a part of my administration's record over the past 2 years. We inherited a great many difficulties, as I said in the debate last night. But I was honored to come and to try and serve you during this very troublesome period in American history.

I have outlined some of the things we've done, but let me quickly tick off some of the other things I think are accomplishments. Farm exports and farm income are at an alltime high. A major effort is already underway to cut redtape in the Federal bureaucracy. We are working for peace and justice in the Middle East and throughout the world.

In every field, America is on the move. We've made an incredible comeback in the past 2 years, and I promise you, we're not through yet.

You can believe me when I say America is strong, and we'll keep it strong, because the American people are willing to pay the price for that kind of national security. You can believe me when I say this Nation is sound, this Nation is secure, this Nation is on the way to a better quality of life for all Americans.

And this administration has earned the trust of the American people. My record is one of progress, not platitudes; performance, not promises. It's a record I'm proud to run on, a record the people of Virginia and the concerned citizens throughout this country—Democrats, Independents, and Republicans—will support on November 2.

Give me your mandate, and we will reduce the growth of government still more.

Give me your mandate, and we will ensure the integrity of the social security system. We will improve Medicare so that our older citizens can enjoy the health and happiness that they have earned. There is no reason they should go broke just to get well.

Give me your mandate, and we will make sure that this rich Nation does not neglect its citizens who are less fortunate than we, but provides for their needs with compassion and with dignity.

Give me your mandate, and we will create a tax structure that is fair to all, that will preserve the family home, the family business, the family farm, and give our industry an opportunity through tax incentives to provide jobs by modernization, building new factories, competing abroad, so that America's economy will be healthy and strong for the betterment of all.

Give me your mandate, and we will expand the recreational opportunities and restore the healthy environment of this great country as our legacy to future generations.

Give me your mandate, and I will lead this Nation on the path of peace through strength, and we will live in peace and freedom in the United States of America. I have no fear for the future of America. The future to all of us is a friend. And as we go forward together, I promise you once more what I promised you before—to uphold the Constitution, to do what is right as God gives me to see the right, and to do the very best that I can for America.

God helping me, I will not let you down.

NOTE: The President spoke at 9:40 a.m. on the State Capitol grounds. In his opening remarks, he referred to Lt. Gov. John N. Dalton of Virginia and

William M. Tuck, Governor of Virginia 1946–50 and U.S. Representative from Virginia 1953–69.

949

Remarks at the North Carolina State Fair in Raleigh. October 23, 1976

Thank you very, very much, Governor Holshouser, Liddy Dole, Dave Flaherty, distinguished officials, and guests:

It's great to get together with one of my family again, our third son, Steve Ford.

I also wish to express my deep appreciation for the fact that an old and very dear friend of mine, Congressman Jim Broyhill, is here. Jim.

For many, many reasons, it's a great privilege and a very high honor to be back here in the Tarheel State. And I thank you for the wonderfully warm and hospitable welcome.

In Kansas City, I promised not to concede a single vote or a single State. I meant it. And let me give you where I've been to prove the point. Some people have said, well, I've been spending my time in the Rose Garden. Some people have been saying I've been hiding out. Well, here is the itinerary.

Today, I was in Virginia, now in North Carolina, later in South Caro-

lina; last week, in Oklahoma, Texas; the week before, in Louisiana, Mississippi, Alabama, and Florida. I don't think that's hiding out in Washington, D.C.

A couple of weeks ago I opened the State Fair in Texas, but Jim Holshouser told me if I wanted to see a really big fair, I'd have to come to North Carolina. I'm here, and I love it. Thank you.

While I am here, let me extend a very special invitation to come to Washington next January for the inauguration of Jerry Ford and Bob Dole; or to put it another way, y'all come. [*Laughter*]

In Kansas City, I knew I had picked an outstanding teammate or running mate. Bob Dole has a superb record, not only in the House of Representatives but in the United States Senate. But I didn't really understand that I got such a big dividend when we got Liddy Dole with Bob Dole, and thank you very much.

Let me express my deepest appreciation to your outstanding United States Senator Jesse Helms, and the two fine Congressmen that I know so well, Jim Broyhill and Jim Martin. Lets add a few more just like them on Election Day.

Over the years, I've developed a very close and warm friendship with the people of this State, dating back—I went to law school here one summer at the University of North Carolina, I spent a few months in Chapel Hill—assigned there by the Navy in World War II. [*Laughter*] My oldest son, Mike, and his wonderful wife, Gayle, graduated from Wake Forest and, of course, as I mentioned earlier, were delighted to have that wonderful Southern accent, that beautiful gal, Elizabeth Hanford Dole, from Salisbury, North Carolina.

But let me talk very straight to you for a few minutes. You know where I stand. I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength, and for peace in the world. Not a single young American is fighting or dying on any foreign soil today, and I intend to keep it that way.

After so many years in which America's defensive needs were shortchanged, I proposed the two largest military budgets in America's history, and I was able to convince the Congress to stop slashing away at military spending.

After so many years of runaway growth in the Federal budget, I submitted a budget for this fiscal year which cut the rate of growth in Federal spending in half. I have held the line on Government spending with 64 vetoes and saved you, the hard-pressed taxpayers, \$9 billion. Because I've not been afraid to say no to excessive spending, we will be able to submit a balanced Federal budget by 1978; and, in addition, we'll have another tax reduction for the American taxpayer, particularly the middle-income taxpayers of this country.

My idea of tax reform is tax reduction. I'm sure you recall that I submitted to the Congress a proposal to increase the personal exemption from \$750 to \$1,000. That is meaningful tax reduction to the long shortchanged middle-income taxpayers. Congress didn't pass it, but I make a pledge to you: I'm going to keep the pressure on the next Congress until they do, and if they don't, they'll hear about it in the next election.

After so many years of uncontrolled inflation, we have cut the rate of inflation by better than 50 percent. We'll do even better in the future. After the worst economic recession in 40 years, we have added 40 million jobs to the American economy in the last 18 months, not by creating dead end jobs at the taxpayer's expense; we've added these 4 million jobs by stimulating the private economy, where five out of the six jobs are in America today.

Too many people are still out of work. We are not satisfied with the progress we've made, but more Americans were on the job in 1976 than ever before in the history of the United States, nearly 88 million. And that's a tremendous comeback from where we were just a year and a half ago.

After suffering a tragic betrayal of public trust 2 years ago, America has had its faith restored in the White House. My administration has been open, candid, straightforward, and we'll keep it that way for the next 4 years. As I told the Southern Baptist Convention in Norfolk earlier this year, I firmly believe that private morality and public service can and must go hand in hand.

I mentioned only a part of the Ford administration's record in the past 2 years, but let me add just a few more. Farm exports and farm income are at an alltime high. A major effort is already underway to cut redtape in the Federal bureaucracy. We are working for peace and justice in the Middle East and throughout the world. In every field, America is on the move, on the march.

We made an incredible comeback in the past 2 years, and we're not through yet. You can believe me when I tell you that America is strong and will be kept strong, because the American people are willing to pay for that kind of national security.

You can believe me when I say this Nation is sound, this Nation is secure, this Nation is on the way to a better quality of life for all Americans, and this administration has earned the trust of the American people for the next 4 years.

My record is one of progress, not platitudes; performance, not promises. We don't need government to do everything for us or to tell us everything we can or cannot do.

We have a great reservoir of talented industry in this country, and it's not all concentrated on the banks of the Potomac River. You've got it here in North

Carolina; it exists all over America. That's where the progress will come as we move ahead in our third century in the United States. More often you will find it on the banks of the Neuse River here in Raleigh or on the beautiful New River we helped to save in the Blue Ridge Mountains of western North Carolina, or on the Outer Banks down east.

Let me say I was deeply grateful to your great Governor, Jim Holshouser, for listing some of the things that this administration has done in working with his administration. The relationship between your Governor and myself is a close one, and I can say—because I know a few Governors around the country—in Jim Holshouser you've got one of the best, and you should be proud of him.

Having spent as much time as I have during my life in the great Tarheel State, I think I know something about the way the people in North Carolina feel. I don't think you here in North Carolina are ready to see our free economy bogged down with even more rules, regulations, redtape, and red ink. And I hope you will register your opinion loud and clear on November 2.

This great State Fair is a good example of what people can do by themselves. We have the most productive farmers in the history of mankind. One American farmer today feeds 56 other people. The farmers of North Carolina, as Jim Holshouser said, will bring in their highest income from their tobacco crop in 1976. I compliment you for it. We are proud of that productivity.

I want to preserve the family farm in North Carolina, and throughout America. I've been fighting all year to revise the estate tax laws to ensure that you won't have to sacrifice your farms just to pay the Federal tax collector.

I recommended this increase in the personal exemption in the estate tax from \$60,000 to a higher figure. The Congress finally passed it, and I was pleased that they raised, on my recommendation, the tax exemption from \$60,000 to something like \$175,000 and stretched out the payments on those estate taxes. This is constructive legislation, because the family farm means so much to the people of North Carolina as well as in the other 49 States.

For those who want to own a home in rural America, I am announcing today that I have directed the Department of Agriculture to raise the moderate income limit for rural housing loans from \$12,900 to \$15,600. This change, coupled with the recent increase in the low-income limit from \$8,500 to \$10,000, and lowering the interest rate to 8 percent, will greatly increase our ability to help rural families buy a home of their own, and a home is the most important factor in building a strong America.

But rural vitality is not all that North Carolina has going for it. The North Carolina Research Triangle and the other fine colleges and universities in this

wonderful State have helped make America the most advanced technological and educational society in the history of mankind.

Just this week, America made a clean sweep in the Nobel Prizes for economics, chemistry, physics, medicine, and literature. This is the first time in history that a single country has been the home of all of these winners. I am proud to be a citizen of the great United States of America, and you and I can be proud of what has been done, and we can be proud of the progress we are going to make in the future.

We have our problems, but in the last 2 troubled years we've come a long, long way. Our long national nightmare is over; 4 million new jobs have been created in less than 2 years; inflation cut more than half; trust has been restored in the White House; America is at peace at home as well as abroad; we are putting our old angers aside; we are putting our old problems behind us and healing our wounds.

It is a record I am proud to run on, a record of the people of North Carolina and concerned citizens—Democrats, Independents, and Republicans—throughout America will support on November 2. Give me your mandate, and we will reduce the growth of government still more. Give me your mandate, and we will ensure the integrity of the social security system. We will improve Medicare so that our older citizens can enjoy the health and happiness that they have so richly earned. There is no reason that they should have to go broke just to get well.

Give me your mandate, and we will make sure that this rich and wonderful Nation does not neglect its citizens who are less fortunate than ourselves, but provides for their needs with compassion and with dignity. Give me your mandate, and we will create a tax structure that is fair to all, that will preserve the family home, the family business, the family farm, and give industry in America the opportunity to modernize, to expand, so that we can create more jobs for the young who are coming into the labor market.

Give me your mandate, and we will expand the recreational opportunities and restore the healthy environment of this great country so that we can leave a legacy to future generations of America. Give me your mandate, and I will lead this Nation on the paths of peace through strength, and we will live in peace and freedom in the United States of America.

I have no fear for the future of America. The future is our friend, and as we go forward together, I promise you once more—as I have promised you before—to uphold the Constitution, to do what is right as God gives me to see the right,

and to do the very best that I can for America. God helping me, I will not let you down.

Thank you very much.

NOTE: The President spoke at 12:17 p.m. at the Dorton Arena. In his opening remarks, he referred to David T. Flaherty, Republican gubernatorial candidate of North Carolina.

950

Remarks at the South Carolina State Fair in Columbia.

October 23, 1976

LET ME thank all of you for the opportunity to come to Columbia, to South Carolina to this great State Fair.

I would just like to introduce a member of our family who went to the fair while I went to the football game. I'd like to introduce our son, Steve Ford.

Two weeks ago, I went to the Texas State Fair. This morning I stopped at the North Carolina State Fair. Here I am at the South Carolina State Fair. I love fairs. [*Applause*] Thank you very, very much. But what I like best is those figures up there.

But let me be serious, if I might. We have a great campaign that's about to come to its conclusion on November 2. The issues are very important. We keep hearing that only about 50 percent of the people are going to vote. I hope that's not true, because the course or the direction of this Nation could well be decided on November 2, and that course and that direction for the next 4 years and perhaps for the next century.

Let me tell you where I stand. I stand for a strong national defense. America must be number one and will be number one. We have the best Army, the best Navy, the best Marine Corps, the best Air Force, and, under President Ford, we're going to keep it that way.

But we also have to have a strong economy, and that means not only an industrial economy but it means a strong agricultural economy. We believe very strongly that American agriculture is probably one of the most important segments of our society, and we're going to keep agriculture in America strong under President Ford for the next 4 years.

I think a few of you may have heard the debate last night. I'm not going to ask you who won, but I do want to repeat one or two things that I believe are very important for us to remember.

Two years ago, in August, this country was in serious trouble. Today, we

have made a substantial amount of progress. We have gone from a lack of trust in the White House to confidence and trust in the White House under President Ford. We have gone from inflation of over 12 percent 2 years ago, to a rate of inflation under 6 percent, and it's going down. We have made a lot of progress in winning the battle against inflation, and we're going to make a lot more between now and the end of the next 4 years.

But then, let me make one other observation. America is at peace. We're at peace because we're strong. Not a single young American is fighting or dying on any foreign battlefield tonight. But we're able to do that because the United States has the military capability and the diplomatic skill to strengthen our allies and to get respect from our adversaries.

But the most fundamental thing that's important in America is our moral and spiritual strengths. The United States is a nation where each and every one of us has an opportunity to participate—to participate in government, to pray to God, to have our own convictions, and strengthen the character of America. And I think by any standard, we can say we are proud of America, and we are proud to be Americans.

Thank you very, very much.

NOTE: The President spoke at 4:20 p.m. Prior to his arrival at the State Fair, he attended the second half of the Notre Dame-University of South Carolina

football game at William Brice Stadium on the campus of the University of South Carolina.

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Remarks in Columbia, South Carolina. October 23, 1976

Thank you very much, Governor Jim Edwards, Senator Strom Thurmond, Congressman Floyd Spence:

I can't express deeply enough my appreciation for the hospitality of Jim and Ann and this wonderful turnout here in this just gorgeous mansion and the grounds. I thank you all for your very warm and generous hospitality. It's great to be in South Carolina.

I enjoyed the second half of the football game.¹ I can claim some credit—you scored more points than your opponents while I was there. [*Laughter*]

As I said in Kansas City, I'm not going to concede a single State or a single vote. While I'm here, let me extend to each and every one of you a special invitation to come to Washington next January, when we have the

¹ The President was referring to the Notre Dame-University of South Carolina football game he attended earlier at the University of South Carolina campus.

inauguration of Jerry Ford and Bob Dole. Or to put it another way, y'all come, and we'll have a great party. [*Laughter*]

I think all of you know where I stand—for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, greater military strength, for peace in the world with freedom. Not a single young American today is fighting or dying on any foreign battlefield, and that's because America is strong.

After so many years—the last 10 years in which America's defensive needs have been shortchanged—I proposed the two largest defense budgets in the history of the United States. And this year, with the help of Strom Thurmond, we were able to convince the Congress to give us virtually all that we asked for. And the net result is we can look forward to real progress in maintaining our strategic capability, our conventional capability. We have the will. And let me say, as long as I'm President of the United States, we're going to stay number one.

After so many years of runaway growth in Federal spending, I submitted last January a budget which for the first time put a cap on the growth in Federal spending. I have held the line on Federal spending with 66 vetoes, which saved the hard-pressed taxpayer something like \$9 billion. I've not been afraid to say no to the excessive spending of a liberal Congress, and let me say we'll keep the pressure on in the next Congress.

But speaking of the Congress, you have here in this congressional district one of the strongest, one of the best Members of the House of Representatives in Floyd Spence. You need him, and I need him.

I think it goes without saying that you're proud of the wonderful job that Strom Thurmond does for you. And let me say without any hesitation or qualification, believe me, I know Strom Thurmond is up there fighting for a strong national defense, fighting for restraint on spending, fighting for your lowering of taxes. Strom, I thank you from the bottom of my heart.

We've heard a great deal about tax reform. The best tax reform that I know is tax reduction. And the best tax reduction that I know is the kind of tax reduction that goes to the middle-income taxpayer who, in the process of legislation in the last 10 or 15 years, has been shortchanged. And therefore, I think if we're going to get equity in our Federal tax laws, we have to increase the personal exemption from \$750 to \$1,000. That gives that great, vast middle-income taxpayer the kind of fairness, the kind of equity that he deserves.

Congress didn't pass what I recommended this year, but let me look them right in the eye. We're going to keep the pressure on them next year; if they don't pass it, the next year. We're going to get that kind of tax relief, and the

Congress is going to do it, because the American people know it's right.

I tried to mention in the debate last night the kind of progress that we've made in America since I've been President. And believe me, that day of August 9, 1974, was not a very happy day. America was in trouble. We had inflation over 12 percent. We were on the brink of a serious recession. The American people had tragically lost faith and confidence in the White House, and we were still involved in Vietnam.

But with the strength of the American people and with the kind of government that we have in this country, we were able to set the ship of state on an even keel and to set a steady course. And we've gone through some tough times for the last 26 months, but the thing that gave Betty and me the kind of satisfaction, the kind of propping that we needed when times looked tough, was the faith that we had in 215 million Americans.

And let me say, having gotten through the storm of those 26 months, I think with the progress we've made, with the foundation that we've laid, we can have the most glorious 4 years to begin the third century of American freedom and progress.

And so I come before you all here in this great State of South Carolina and ask for your help, ask for your assistance. I think we can carry South Carolina. It would be a great, great honor—Jim, it would be a great honor to come back here to this mansion after November 2 sometime and really relax and enjoy being with you and Ann and meeting all of these wonderful people from South Carolina.

But as I close, let me reemphasize, we have a chance to go forward together. And I promise you once more, as I promised you before, to uphold the Constitution, to do what is right as God gives me the right—or to see the right, and to do the very best that I can for America. God helping me, I won't let you down.

Thank you very kindly.

NOTE: The President spoke at 5:38 p.m. at the Governor's Mansion.

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**Remarks at a Golden Circle Reception in Pasadena,
California. *October 24, 1976***

THANK YOU very much, Paul. I can't express adequately my deep appreciation to all of you who have supported the party and supported our efforts with

your Golden Circle participation. It's wonderful to be in California after a hard day yesterday in Virginia, where we got a wonderful reception; in North Carolina, where the enthusiasm was really spectacular; and where the results in South Carolina were far beyond our expectations.

I might just give you one poll that is somewhat indicative. I went to the Notre Dame-South Carolina football game, the last half of it. And I went to the right half because in that half, South Carolina outscored Notre Dame—[laughter]—even though they didn't win the ball game. But anyhow, we went to the State Fair, and they have a big poll like you see for the community chest and the like. And 10 days ago, we were behind on a ratio of 3 to 2. Yesterday, we had roughly 10,500 votes and my opponent had 7,300.

What I'm really saying is that we're making substantial inroads in those areas where my opponent thought he had a free ride. He doesn't, and the net result is we're going to do very well in many parts of the country where a month ago it didn't look very optimistic. But when you get to the bottom line, for us to win this election and to keep the direction that this country is on—which I think is a solid, a very optimistic future—it's critical that we win California.

California is a State that we must win. And all of you coming here early on a Sunday morning, and your long support for the party and the principles that we stand for, is indicative of the concern you have. So, if you can just double, redouble, quadruple your efforts between now and November 2 and we win California, we'll keep America going in the right direction.

Thank you very, very much.

NOTE: The President spoke at 9 a.m. in the Georgian Room at the Huntington-Sheraton Hotel. In his open-

ing remarks, he referred to Paul Haerle, chairman of the California State Republican Central Committee.

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Remarks at a President Ford Committee Reception in Pasadena. *October 24, 1976*

Thank you very, very much, John Rousselot, Carlos Moorhead:

Let me say this a great, great thrill for me to be in California, to see all of you wonderful volunteers who will, on November 2, give us a victory in California, which means a victory for the United States that day.

In Kansas City, I said we would not concede a single vote, we would not con-

cede a single State. And let me say, as I travel across this great country—and this is my second visit to California since Kansas City—I feel a great momentum building, which means that I can honestly invite each and every one of you to an inauguration of Jerry Ford and Bob Dole in January 1977.

But let me tell you that the thing that's so impressive as I travel around the country—we found volunteers in Virginia, North Carolina, South Carolina, yesterday. We found them in Texas and Oklahoma; we find them in New Jersey and New York; we find them in Pennsylvania and Ohio; we find them in the Rocky Mountain States. There is this ground swell of deep public concern not only on the part of Republicans but on the part of Independents and Democrats who know that this election could be the deciding point as to the direction of this country for the next 4 years, but, more importantly, the direction of this country for the next century.

We celebrated a tremendous birthday on July 4. It brought forth all the good things in America. But we have a new spirit, a new healing among people. And the American people, as a result, are concerned that they want their country to be strong at home and to be strong abroad, so that we can have the kind of quality of life that is so essential not only for ourselves but our children and our grandchildren. And under a Ford-Dole administration, that's what we'll have, and I pledge that to you.

But it's vitally important that you not only give the support that I know you're going to give as great volunteers to Bob Dole and to myself, but we must have men like John Rousselot and Carlos Moorhead and Dr. Hayakawa back in Washington, or with us in Washington.

But let me tell you where I stand so there is no question, there is no doubt whatsoever. I stand for limited government; I stand for restraint on Federal spending; I stand for tax reduction; I stand for the free enterprise giving to us the kind of prosperity that's needed and necessary; I stand for a strong America that will keep the peace. And I remind you today, as I have on other occasions, because we are strong, there isn't a single American fighting or dying on any foreign soil today.

We're strong today because of the defense budgets that I have submitted to the Congress that will keep our strategic forces alert 24 hours a day against any strikes or aggression, because the kind of defense appropriations that I've recommended will keep our conventional forces strong to meet any attack or any aggression.

Now, there are some in this political campaign who wish to cut, to slash, to make our military forces weaker in the future. That would be a dangerous gam-

ble. It would be a gamble because it would, for example, send our young pilots out flying aircraft that are older than themselves. That's why we need the B-1 now, and we'll need it in the future.

When people talk about reducing the military budgets, what they're doing is stretching out the modernization of our Navy. When they talk about the reduction in our military forces, they're talking about a slowdown in the procurement of the necessary aircraft that are essential both in strategic and in conventional forces. The American people are willing to make the sacrifice to keep America strong, and that's what the Ford-Dole ticket stands for, and we will not let you down.

But if we are to keep our economy moving in the direction that it is—toward increased prosperity—we have to keep a restraint on the expenditures of the Federal Government. In the budget that I submitted to the Congress last year, I called for a 50-percent cutback in the growth of Federal spending. I called for a \$28 billion tax reduction.

The Congress disappointed me in both cases, but let me say—and look each and every one of you right in the eye—on January 20, when I take the oath of office as the next President of the United States, I'm going to call for additional restraints in Federal spending, for additional tax cuts, particularly for the middle-income people who have been shortchanged.

But let me say in addition, as we move forward to strengthen our economy, we're going to continue the battle, the successful battle we've made in reducing the rate of inflation. Take yourself back to 1974—inflation of over 12 percent. Today it's under 6 percent. You're not satisfied, and I'm not satisfied, but with the right kinds of economic program—reduce Federal expenditures, with the kind of tax incentives that will increase our productivity—we'll win that battle against inflation under a Ford-Dole administration.

Yes, November 2 is a crucial date. It's a crucial date because it will determine the direction from the point of view of the White House, the Chief Executive. But I repeat again, it would be a disaster for us to have the wrong kind of a Congress, the kind of a Congress that you've had for the last 2 years. We need to strengthen the House of Representatives, and we do need Dr. Hayakawa in Washington.

But now let me just conclude with this: We can't do it alone. We can campaign as hard as we are—and, as I said, I have been back to this great State twice since Kansas City; my wife, Betty, has been out here working; three of our four children have been out here trying to contribute and make a contribution to this campaign; Bob Dole has been out here and done a superb job—but the way we're going to get results is for wonderful people like you, who are dedicated,

to multiply your efforts with your neighbors, with your friends, your business associates, and with others.

This is a crusade—a crusade for the kind of government that our forefathers gave us some 200 years ago. We must work extra hours, make an even greater effort, because the future of America could well depend on what happens on November 2.

I pledge to you, as I pledged before, I will uphold the Constitution, and I will do as I see in the future as God gives me the light to see and to never let you down.

Thank you very, very much.

NOTE: The President spoke at 11:24 a.m. in the Viennese Room at the Huntington-Sheraton Hotel. In his remarks, he referred to Representatives John

H. Rousselot and Carlos J. Moorhead and Republican senatorial candidate S. I. Hayakawa.

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Remarks in Fountain Valley, California. *October 24, 1976*

THANK YOU very, very much, Duke, or John Wayne—we love you however we use the name. Thank you very, very much, Congressman Chuck Wiggins, our fine congressional candidates, Bob Badham, Jim Combes, Dan Lungren; Glenn Ford, Ed Nelson, this wonderful group of singers, we really appreciate the talent and the contribution. Thank you very, very much.

And then it is a great privilege for an old “has-been” athlete to have on the platform here with us Steve Garvey, Andy Etchebarren, Don Sutton. I thank you all very, very much.

I am especially honored—it is really a rare privilege to come to the great State of California and to see such a tremendous turnout. And one of the highlights of this campaign—and I can say it without any hesitation or qualification—is to have Duke do the honors of introducing me and giving me an opportunity to say to all of you and to the many, many millions of people here in California what I believe in and where I stand.

It has been wonderful to come back to California. As I said in Kansas City, I do not concede a single State or a single vote. I believe that the American people in all 50 States want straight talk. They don't want their candidate for the Presidency to promise more than he can deliver, but they want him to deliver everything that he promises.

Since Kansas City, I have come to this great State on two occasions. Betty has

been here several times, and three of our children have visited various parts of this State. You have given us, as a family, a warm and enthusiastic reception. But let me reciprocate by saying we admire you, we love you, and we thank you.

I have a feeling, after being here, that the Ford-Dole ticket will carry California, November 2. And while I am here, let me extend to all of you a very special invitation: Come to Washington next January 20 and help us inaugurate the Jerry Ford-Bob Dole ticket for the next 4 years.

You know where I stand. I stand for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength, and peace throughout the world. Not a single young American is fighting and dying on foreign soil today, and we are going to keep it that way.

After so many, many years in which America's defensive needs were short-changed by the Congress, I proposed the two largest defense outlays in America's history. And I convinced the Congress during this last session that they have been playing with fire and that if we were going to keep the peace that we had, that they could not go through the routine that they followed in the past. And they went along with the kind of defense spending that I proposed, the kind that means we not only have security today but we will have it in the years ahead. And let me say, the next Congress, under the Ford-Dole administration, will have to keep the same commitment to the American people.

Let me add parenthetically, my opponent in this campaign—and I say this with some sadness—has proposed a defense cut of at least \$5 to \$7 billion. That kind of defense cut would require troop withdrawals from strategic outposts overseas, delay or cancel many of our new, advanced weapons systems, such as the B-1 bomber, a slowdown in our ship construction program, or some degree of damage in all of these areas which means closing defense plants and military bases right here in the United States and quite possibly in this great State of California.

You don't want that, neither do I, because America must be strong if we are to be the leader, if we are to maintain the peace, if we are to repel aggression, if we are to deter those who would destroy our kind of society.

I pledge to you that in the next 4 years we will keep our defenses strong and we will keep the peace and freedom that is so dear to all of us.

After so many years of runaway growth in Federal spending, with the Federal budget escalating much too rapidly, I submitted a budget for this current fiscal year which cut the rate of growth in Federal spending by 50 percent. I

have held the line on Government spending with 66 vetoes and saved the hard-pressed American taxpayers more than \$9 billion.

And let me look each of you, as a family, right in the eye—those 66 vetoes have saved each family approximately \$200. That is progress, and we will continue that progress in the future.

Because I have had the will and the courage and sometimes a little toughness, because I have been able to say no to excessive spending, we will have a balanced budget submitted in 1978. But more importantly, as we cut the rate of growth of Federal spending, as we restrain the kind of spending that is uneconomical, nonproductive, as we accomplish that, I promise to you that we will have another tax reduction at the Federal level.

But let me tell you where we are going to have that tax reduction. We are going to give that tax reduction to the middle-income taxpayer who over the years has been shortchanged by the Congress. The middle-income taxpayer deserves a break and Jerry Ford will see to it that you get it. And the way to do it was the way I proposed in January—to increase the personal exemption from \$750 to \$1,000 per person.

Let me illustrate what that means to the head of the household who next January makes out his income tax return. If he has got a family of three children, himself and his wife, that means that that taxpayer will get an additional \$1,250 in exemption. That is meaningful. The Congress didn't do it this year, but next year I am going to keep the pressure on that Congress. If they don't do it next year, we will keep the pressure on them the next year, and if they don't do it then, you take them and you lick them in the polls in 1978.

Now, after so many years of uncontrolled inflation, we have cut inflation by half in the past 2 years, and I pledge to you that we will do even better under the Ford-Dole administration. Now, after the worst recession in 40 years, it wasn't pleasant; you know we were in troubled times. We have added 4 million jobs to the American economy in the last 2 years—not by creating dead-end jobs at the taxpayers' expense, but by stimulating jobs with a future in a private economy where five out of those six jobs exist in our society.

Too many people are out of work, I admit. We are not satisfied with the progress that we have made, but more Americans were working, were on the job in 1976 than ever before in the history of the United States. That is a tremendous comeback from where we were just a year and a half ago. That is progress.

America has made incredible progress in the last 2 years, and you and you

and millions like you—wonderful Americans—ought to be proud of what we have done. I am and you are, but we are going to do better.

After suffering a tragic betrayal of public trust 2 years ago, America has had faith restored in the White House. My administration has been open, candid, straightforward. We have talked straight from the shoulder, and we will keep it that way for the next 4 years.

As I told the Southern Baptist Convention in Norfolk, Virginia earlier this year, I firmly believe that private morality and public service can and must go hand in hand. And this is what we have done, and this is what we will do.

But what I have mentioned so far is only a part of the record of the Ford administration in the past 2 years. Farm exports and farm income are at an all-time high. A major effort is already underway to cut and slash the redtape in Federal bureaucracy. We are working for peace and justice in the Middle East, and throughout the world, and America is respected and trusted.

In every field America is on the move, on the march. We have made a tremendous, unbelievable comeback in the past 2 years. And I pledge to you the next 4 will be even better. You can believe me when I say with conviction that America is sound, America is secure. This Nation is on its way to a better quality of life, and this administration has earned the trust of the American people for the next 4 years.

My record is one of progress, not platitudes; performance, not promises. We do not need a government to do everything for us or to tell us everything we can or cannot do. America is different. We should never forget that a government big enough to give us everything we want is a government big enough to take from us everything we have.

We have a great talent, a great reservoir of industry and ability in this great country, and it is not all concentrated on the banks of the Potomac. Just this week—let me as an illustration point out to you—that America made a clean sweep of the Nobel Prizes for economics, chemistry, physics, medicine, and literature. This is the first time in American history that a single country has been the home of all of these great awards. We should be proud. Because of these accomplishments of great Americans, I am proud to be a citizen of the United States, and as I look around this great crowd, I know that each and every one of you are just as proud as I am of America.

We have had our problems. In the last 2 years we have come a long, long way. At home and abroad we are putting away our old differences, we are

putting aside our old problems, we are healing our wounds. There is an old saying that used to be common in the House of Representatives. I think it is apropos: "We can disagree in America without being disagreeable." That is the kind of healing, that is the kind of feeling that we want in this country so that we can march together for a better America for ourselves but, more importantly, for our children and our grandchildren.

This record of 2 years is a record that I am proud of, a record the people of California and the concerned citizens throughout America—Democrats, Independents, and Republicans—will support on November 2.

Give me your mandate, and we will reduce the growth of government still more. Give me your mandate, and we will ensure the integrity of the social security system; we will improve medicare so that our older citizens can enjoy the health and happiness that they have earned. There is no reason why our older citizens should have to go broke just to get well.

Give me your mandate, and we will make sure that this rich Nation does not neglect its citizens who are less fortunate than ourselves but provides for their needs with compassion and with dignity. Give me your mandate, and we will create a tax structure that is fair to all, that will preserve the family, the family business, the family farm, that will give business in America the tax incentives that build new plants, to modernize the old ones, and to create millions and millions of more jobs for the American working man.

Give me your mandate, and we will expand the recreational opportunities and restore the healthy environment of this country as our legacy for those generations to follow. Give me your mandate, and I will lead this Nation on the path of peace through strength, and we will live in peace and in freedom in the United States of America.

I have no fear whatsoever for this country, for America the future is a friend. And as we go forward together, I promise you once more—as I have promised you before—to uphold the Constitution, to do what is right, as God gives me to see the right, and to do the very best that I can for America. God helping me, I won't let you down.

Thank you very, very much.

NOTE: The President spoke at 2:20 p.m. at the Fountain Valley Recreation Center. In his remarks, he referred to actors John (Duke) Wayne, Glenn Ford, and Ed Nelson, and professional baseball play-

ers Steve Garvey and Don Sutton of the Los Angeles Dodgers and Andy Etchebarren of the California Angels.

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Remarks in La Mesa, California. October 24, 1976

Thank you very much, Congressman Bob Wilson, Mayor Pete Wilson, Congressman Clair Burgener, Mayor Fordem, distinguished guests, ladies and gentlemen:

Let me thank this wonderful group of entertainers, superb performers, celebrities: Peter Graves, thank you very much; Hugh O'Brian, thank you; Zsa Zsa, we love you; Lance Alworth, thank you; Rod McKuen; and those super singers, Serendipity Singers; and the chicken, I love it. [*Laughter*] And then we have four wonderful bands—the Helix, Grossmont, Miguel, and El Cajon. Thank you all very much.

But now I brought with me two super people who were on a program with me this afternoon, which was shown all over the State of California. They are known to all of you. First, Joe Garagiola, and then one of the finest Members of Congress that I have ever known, a tough adversary—when she was with you, you couldn't lose—supporting me, Edith Green of Oregon.

What a treat to be in San Diego and its wonderful surrounding communities. I love you, and thank you very, very much.

As I said in Kansas City, I won't concede a single State, I won't concede a single vote. The Ford-Dole ticket, as I see California today, will win in California, and thank you very, very much. Let me extend to all of you a wonderful invitation, a very special invitation: Come to Washington next January for the inauguration of Jerry Ford and Bob Dole.

You know where I stand. I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength, for peace in the world. And I say with pride, not a single young American is fighting or dying on any foreign soil tonight, and we will keep it that way.

After so many years in which America's defensive needs were shortchanged, I proposed the last 2 years the two biggest defense budgets in the history of the United States. And I convinced the Congress in 1976 that they should stop slashing, stop cutting, stop gutting the defense appropriation. And the net result is America today and America in the future will be number one, and we are going to keep it that way.

But let me add parenthetically, my opponent in this campaign has promised defense cuts of at least \$5 to \$7 billion. What does that mean? That kind of defense cut would require troop withdrawals from many strategic outposts around the world. It would delay or cancel our advance new weapons systems

like the B-1 bomber. It would slow down our ship construction program. It would do serious damage in some of our other research and development programs. It might be just closing defense plants throughout the United States, including some right here in the great State of California. We aren't going to let that happen. America must stay number one.

After so many years of runaway inflation, runaway growth in the Federal budget, I submitted a budget for the third fiscal year which will cut the rate of growth in Federal spending by 50 percent. I have held the line on Government spending with 66 vetoes and saved you, the hard-pressed American taxpayer, \$9 billion. And each family in this country has been saved \$200 by those tough vetoes, and we are going to have more and more if the next Congress is as bad as this Congress. Because I said no on these 66 bills, we will be able to submit a balanced budget to the American people and to the next Congress in 1978. And we will have another tax reduction, in addition.

My idea of tax reform is tax reduction. I proposed, for example, raising your personal exemption from \$750 to \$1,000. The middle-income taxpayer in this country has been shortchanged, and we are going to change it in the next Congress.

The other day I was out to a factory talking to some hard-working people who put in their 8 hours a day, who work hard, pay their taxes, and they asked me about tax reduction. I said, "How many children do you have in your family?" This man said three. He has five exemptions. I said if the tax reduction that I proposed goes through—and we are going to get it next time—it would mean that you, when you fill out your income tax return, will be able to take a \$1,250 more tax exemption in your next return. That helps the middle-income taxpayer, and that is what we are going to get.

After so many years of uncontrolled inflation, I am proud to say that we have cut inflation by 50 percent in the past 2 years, and I pledge to you we will do better in the next 4 years. After the worst recession in 40 years, we have added 4 million new jobs in the American economy, not by creating dead-end jobs for those that want to work, jobs created at the taxpayers' expense, but by stimulating jobs with a future in the private economy where five out of those six jobs exist today.

Too many people are out of work. I recognize that. We are not satisfied with the progress we have made, but more Americans were on the job in 1976 than ever before in the history of this great country—nearly 88 million people—and that is a tremendous comeback from where we were just a year and a half ago.

After suffering—and I say this with sadness—after suffering a tragic betrayal

of public trust 2 years ago, America has had its faith restored in the White House. My administration has been open, candid, straightforward, and we will keep it that way for the next 4 years.

In every field America is on the move, on the march. We have made an incredible comeback in the past 2 years, and we are not through yet. You can believe me when I say—I say it from my heart—America, this Nation, is sound; this Nation is secure; this Nation is on the way to a better quality of life, and this administration has earned the trust of the American people for the next 4 years.

My record is one of progress, not platitudes; performance, not promises. We don't need a government to do everything for us or tell us everything we can or cannot do. As I travel around this great country, I find we have a great reservoir of talent and industry in America, and it is not all concentrated, believe me, on the banks of the Potomac. Don't ever believe that.

Jimmy Carter has indicated—Jimmy Carter has told the American people that the United States is not respected anymore. This week America made a clean sweep of the Nobel Prizes for economics, chemistry, physics, medicine, and literature. This is the first time in history that a single country has brought home all of these winners. That doesn't sound like a second-rate nation to me.

As I stand before this fantastic crowd of wonderful people from this part of California, I say from the bottom of my heart I am proud to be an American, I am proud of all of you, and we are proud of America.

We have our problems, but in the past 2 years we have come a long, long way. At home and abroad, we are putting all of our differences aside. We are putting our old problems behind us, and we are healing the wounds. There is an old saying among many of us, "You can disagree without being disagreeable." And America is united; we are healed; we are on our way. Let's keep going.

As I look back over these troubled 2 years, it is a record that I think all of us can share. It is a record that I am proud of, a record for the people of California and concerned citizens throughout America—Democrats, Independents, Republicans. I think it is a record you will support and the people in 49 other States will support November 2.

Give me your mandate, and we will reduce the growth of government in the next 4 years. Give me your mandate, and we will ensure the integrity of the social security system; we will improve Medicare so that our older citizens can enjoy the health and the happiness that they have worked so hard and so richly earned. There is no reason that they should have to go broke just to get well.

Give me your mandate, and we will create a tax structure that is fair to all, that will preserve the family home, the family business, the family farm, that will give us business tax incentives to build new plants, to modernize old ones, and to create more jobs.

Give me your mandate, and I will lead this Nation on a path of peace through strength, and we will live in peace and freedom in the United States of America.

I have no fear for the future of this country. For America, the future is a friend. And as we go forward together, I promise you once more—as I promised you before—to uphold the Constitution, to do what is right as God gives me to see the right, and to do the very best that I can for our beloved America. God helping me, I will not let you down.

Thank you and good night.

NOTE: The President spoke at 8:17 p.m. at the Grossmont Shopping Center. In his remarks, he referred to Mayors Pete Wilson of San Diego and Paul Fordem of La Mesa, Joe Garagiola, NBC sports

commentator, and Representative Edith Green of Oregon 1955–75, cochairman of the Citizens for Ford Committee.

956

Exchange With Reporters in San Diego, California.

October 24, 1976

REPORTER. How do you feel about your San Diego reception?

THE PRESIDENT. I think that the reception here tonight is one of the finest, if not the best. And I want to thank everybody tonight that is here—35,000 to 40,000 people on a Sunday night, and the warmth and the friendliness and the enthusiasm—well, I will sleep better. It convinces me we are going to carry California.

Q. How do you feel about the race now?

THE PRESIDENT. I think we will surprise some people. I am confident. I think we will come out on top on November 2.

Q. What do you intend to emphasize in this final week of blitz?

THE PRESIDENT. Trust, peace, and prosperity.

Thank you all very, very much.

NOTE: The President spoke at 9 p.m. at the Westgate Plaza Hotel.

957

Radio Address on Inflation. *October 25, 1976*

TODAY I'd like to talk a little commonsense on inflation.

Inflation should really be seen as a tax. It cuts into your paycheck or your savings just as surely as writing out your income tax check. And make no mistake about it, inflation is caused by government.

Two years ago when I became President, the inflation rate was 12 percent—the cost of everything was going up 12 cents on the dollar each year. Today the rate of inflation is down to less than 6 percent—that's a lot better. But obviously we must keep right on working at it.

What's important in this election is to understand what we've been doing right to bring inflation down—and what we must avoid if we are to continue making progress.

In the past 2 years, our policies have worked to bring inflation down for three reasons:

First, excess Government spending had to be brought under control. So I have vetoed congressional bills 66 times. An argument could have been made for signing every one of those bills. But if inflation was going to be licked, we had to have the courage to draw the line on spending. I did it. And I'm going to keep on doing it, because I don't believe the American people should be taxed anymore—and inflation is just another high tax.

Second, while fighting inflation we had to do everything we could to reduce unemployment. So while inflation has been cut in half, we've also helped create 4 million new jobs in America in 17 months—and that's a peacetime record. And we've maintained essential Government services in our cities, and for our schools—and, most important, for our national defense. We've even had some tax cuts, and we can have more if we stick to the course we're on.

Finally, we've recognized the reality that inflation cannot be ended overnight. For a decade in America we've had a series of sudden changes in our economic policy. And every time there was not immediate success, we've rushed to a new approach. Well, we've been on a steady and stable course for 2 years now—and it's working. I think it would be a serious mistake to change that course.

America will lose the battle if spending goes up too fast or if inexperienced hands take over our economic policy and send us charging off in a whole new direction.

America is back at peace again. There's honor in your White House again. Four million new jobs in 17 months, and inflation cut in half.

Things are getting better. That's why we're feeling good about America. We know we still have a lot of work in front of us. But we remember where we've been, and we know how far we've come.

We've all fought the battle against inflation. We know that the enemies are Government spending and drastic changes in policy. Let's stay on our steady course.

With it we can welcome America's third century with a new generation of freedom in which Government controls its excesses, its taxes, its spending to let you enjoy the fruits of your own hard work. I think that is what freedom is all about.

NOTE: The President's remarks were broadcast over the Mutual Radio Network.

The text of the address was released at San Diego, Calif.

958

Remarks in San Diego Announcing the Establishment of the Southwest Border Economic Development Region.

October 25, 1976

I HAVE an announcement this morning before taking off for Washington and Oregon.

I'm pleased to announce that the Secretary of Commerce will designate 36 counties along our border with Mexico—in California, Arizona, New Mexico, and Texas—as the Southwest Border Economic Development Region. This region is being established in response to a request by Governor Brown, together with the Governors of New Mexico, Arizona, and Texas.

The request has been analyzed by the Department of Commerce, which has recommended establishment of this development region to me. I'm convinced that organization of a regional commission, as authorized by an amendment to the Public Works and Economic Development Act, passed in 1975, will make a major contribution to promoting economic development in the border counties.

California counties to be included in the development region are San Diego, Riverside, and Imperial. As an economic development region, the Southwest border area will become eligible for Federal assistance in organizing projects to develop local economic resources. This ties in with my personal philosophy

that the proper role of the Federal Government is to help regions and communities work out solutions on their own problems.

Thank you very much. We've enjoyed it here—wonderful part of California—and, of course, we love California.

Thank you very much. Nice to see you all.

NOTE: The President spoke at 8:32 a.m. prior to his departure from Lindbergh Field.

959

Remarks on Arrival at Seattle, Washington.
October 25, 1976

THANK YOU very, very much, Dan. It's wonderful to be in Seattle, the great State of Washington, and we're delighted to come in on one of those great planes made right here in the Boeing plant. It's good, safe, very comfortable; we thank you for it very, very much.

But I'd also like to express my appreciation for Joel Pritchard being here and the other fine State officials who have participated in this warm welcome. And I, of course, am deeply grateful for Mr. Wilson being here and have the opportunity to see so many of the Boeing employees.

I can recall vividly, on several occasions in past years, I came out and had a chance to go through your plant, meet many of your fellow employees personally. You should be proud of what you do. We're very proud of your contributions.

I have a couple of special guests that I would like to introduce to you. First, former Congresswoman Edith Green, who is well-known all throughout the Northwest, formerly from Oregon as an outstanding representative in the House of Representatives. Edith. Edith and I served together for 19 years in the House of Representatives. She was, I think, the most knowledgeable person in education and labor management legislation. She was on the other side of the aisle. She's heading up the Citizens for Ford Committee as a loyal Democrat. Let me say without hesitation, when she was on your side, we usually won. When she was against you, it was tough. But thank you very much for being with us. And then there's somebody else I think all of you know, my good friend Joe Garagiola. Joe is working with us to do a few good television programs around the country. We did one in California last night. He's terrific, not only in those sporting events but he does a great job helping our cause. Then another

person you've seen a good many times—Betty and I've watched “Mission: Impossible” more times than I can count—it's a pleasure for me to introduce Peter Graves. Peter.

I'm especially pleased to be here in Boeing country and to thank you for the very warm welcome. This city and, of course, this State have long demonstrated a very special active interest in protecting your environment.

One of the major threats to our environment is noise pollution. We must reduce the noise pollution around American airports and bring quiet back to the skies throughout our country. We must free aviation from arbitrary and unnecessary restrictions and regulations so that the airlines themselves can pay the cost of quieting aircraft noise.

We should create an economic climate which will stimulate valuable and lasting jobs in our aircraft industry. I know how important this is to the city of Seattle, which has long been a leader in military and commercial aircraft.

I've directed the Secretary of Transportation to instruct the Administrator of FAA to extend its noise standards to all domestic U.S. commercial aircraft to become effective January 1, 1977, and to be phased in over an 8-year period. I'm also directing the Secretary of State to initiate negotiations with the International Civil Aviation Conference to reach agreement on noise standards for all international aircraft flying into the United States. And I'm putting the Congress on notice that I will not accept its failure to act on aviation regulatory reform. Congress must adopt the airline regulatory measure that I proposed in 1975. Passage of this legislation will mean lower air fares, a stronger aviation industry, which is more able to pay for new, quieter aircraft, and jobs for our aerospace workers—and we didn't plan that plane flying over. [*Laughter*]

I want the Members of Congress on both sides of the political aisle to know that aviation regulatory reform will be on their doorstep when they come back in January. Congress must act within 90 days after the new session opens on January 3, 1977. With congressional action, we can make certain that U.S. airlines will meet noise standards and, at the same time, continue to be a healthy and competitive industry serving some 200 million Americans.

I have directed the Secretary of Transportation to schedule open public hearings before the end of this year, to consider whether financing provisions may be necessary to ensure that the air carriers can meet those noise requirements. The Secretary will consider and will evaluate the financial condition as well as the needs of the airline industry, the costs of meeting the new noise standards, and alternative sources of funds to pay these costs. And I'm directing the Secretary of Transportation to report his findings to me by March 3, 1977.

Solving the airport noise problem—and it's a serious problem in 26 airports throughout the United States, affecting some 6 million people who live in the vicinity of these airports—it's an environmental imperative that we make progress in this area. In solving this problem, we will bring into service a fleet of quiet, new aircraft that will result in up to a 30-percent saving in fuel, lower operating costs, lower fares, and less air pollution from older aircraft.

Replacing the older planes will also strengthen our aircraft industry, which is absolutely vital to our world leadership in economic trade and our national defense. And in building these new aircraft, we will create almost a quarter of a million of useful, productive jobs for Americans.

The best way to make sure that our aerospace workers have lasting jobs and create new, permanent jobs in the aircraft and related industries is to give the free enterprise system its best chance to operate. We'll do it.

Thank you very, very much.

NOTE: The President spoke at 10:45 a.m. at the Boeing Field at the King County International Airport. In his opening remarks, he referred to Governor

Daniel J. Evans of Washington, Representative Joel Pritchard, and T. Wilson, chairman of the board of the Boeing Company.

960

Remarks in Seattle, Washington. *October 25, 1976*

THANK YOU very, very much, Dan, Joel Pritchard. And may I at the very outset introduce a very good friend of mine. He's a good friend of yours. You've seen a lot of him lately, but you'd like to see him in person—Joe Garagiola. Joe. He can run as well as talk. [*Laughter*]

MR. GARAGIOLA. I'm not very good at making political speeches. I just believe in people; I believe in President Ford, and for the first time in my life, I think I've booked a winner.

THE PRESIDENT. I would also like to express my deep, personal appreciation to the master of ceremonies, Peter Graves, who went with us in Illinois, who was with us in California. Thank you very, very much, Peter.

In this process, you get some experience on bands. Well, let me say that the Bellevue Band, the Queen Anne Band, and the Everett Band—they're all first-class.

I can't express deeply enough my appreciation to Dan Evans. And when people say he's a Governor's Governor, believe me, that means something to me. I

respect his tremendous job for you, and I'm deeply appreciative of his personal friendship. Thank you very, very much, Dan.

I said in Kansas City, in August, just a few months ago, that we wouldn't concede a single State and we wouldn't concede a single vote. We haven't, and we won't, and that's why we're going to win on November 2.

When I see such a tremendous crowd here on the waterfront of Seattle, I'm absolutely confident with the enthusiasm that you have that we're going to carry the State of Washington on November 2, and we'll win in this election across the country. And while I am here in Seattle, let me extend a very special invitation for all of you to come to Washington, D.C., on January 20, 1977, to be a part of the inauguration of Jerry Ford and Bob Dole.

You know where I stand. I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength, for peace in the world. And I'm proud to stand here in Seattle and say not a single young American is fighting and dying on any foreign soil today, and we'll keep it that way. After so many years in which America's defensive needs were short-changed, I proposed the two largest defense outlays in America's history. And that was tough to convince the Congress to stop slashing away—in effect, cutting away—our military capability.

The people of Seattle not only understand the importance of a strong national defense, you've been doing something about it. The Nation is proud of the vital role which Seattle and the Boeing Company have played in making America the leader in aviation, both civilian as well as military. Congratulations. At this moment, the Boeing B-52 is the backbone of our strategic bomber force, an absolutely indispensable element in preserving peace through strength.

Let me add that my opponent in this campaign, I think mistakenly so, has promised a defense cut of at least \$5 to \$6 billion. That kind of defense cut would require troop withdrawals from strategic bases overseas; delay or cancel advanced weapons systems like the B-1 bomber; a slowdown in our ship construction program, which helps to keep the peace throughout the world. It would mean closing defense plants and military bases right here, possibly—not only in the United States as a whole but the State of Washington as well.

You don't want that, either. I don't want it. And we'll keep our defenses strong in the next 4 years of a Ford administration, so we can maintain the peace, deter aggression, and stand tall and strong with our allies as well as facing up to any challenges of our adversaries. That's my pledge to you for the next 4 years.

After so many years of runaway growth in the Federal budget, I submitted

a budget for this fiscal year which cut the rate of growth of Federal spending by one-half. I've held the line on Government spending with 66 vetoes and saved you, the hard-pressed taxpayers, more than \$9 billion. And let me tell you what that means to an individual tax-paying family. Nine billion dollars saved in the Federal Treasury—those vetoes saved each American family about \$200 in Federal spending in the last 12 to 18 months.

Because I've not been afraid to say no to excessive spending, we will submit a balanced budget for the Federal Government in 1978, and we'll have another tax reduction for the American taxpayer in the meantime. Listen carefully. My idea of tax reform is tax reduction. I propose raising your personal income tax exemption from \$750 to \$1,000. Congress didn't act on that proposal. I can't understand why.

What would it mean to an individual tax-paying family? I was in a plant the other day. One of the workers asked me, "What are you doing about tax reduction?" And I told him how we wanted to raise the personal income tax reduction by \$250 per dependent or taxpayer. I said, "How many children do you have?" And he said, "Three." A wife, three children, himself—under my proposal, that would mean that that taxpayer, when he fills out that tax return in 1977 or 1978, that he would get \$1,250 more in a personal exemption. I think that's good tax reform.

We all know that the middle-income taxpayer has been shortchanged in America, and so the Ford proposal for tax reform, which is tax reduction, will give the kind of tax relief that the middle-income taxpayer needs and wants. And if the next Congress won't do it in 1977 or 1978, we'll go to the American people and we'll beat those that keep on shortchanging the middle-income taxpayer.

Now, after so many years of uncontrolled inflation, as Dan Evans said, we've cut inflation in half in the past 2 years, and I pledge to you we'll do even better in the next 4.

Now, after the worst recession in 40 years—I didn't like it; you didn't like it—we've added 4 million new jobs in the American economy in the past 2 years, not by creating dead end, unproductive jobs at the taxpayers' expense, but by stimulating jobs with a future in the private economy where five out of the six jobs in America exist today.

Too many people are out of work. We're not satisfied with the progress we've made, but I say with some pride, more Americans were on the job in 1976 than ever before in the history of the United States, nearly 88 million, and that's a tremendous comeback from where we were just 18 months ago.

After suffering a tragic betrayal of public trust 2 years ago, America has had its faith restored in the White House itself. My administration has been open, candid, straightforward. We call'em as we see'em. We talk straight from the shoulder, and we'll keep it that way for the next 4 years.

In every field, America is on the move, on the march. We've made an incredible comeback in the past 2 years, and we're not through yet. You can believe me when I say this Nation is sound, this Nation is secure, this Nation is on the way to a better quality of life.

And this administration has earned the trust of the American people for the next 4 years. My record is one of progress, not platitudes; performance, not promises. We don't need a Government in Washington to do everything for us or to tell us everything we can or cannot do. As I travel the length and the breadth of America, I find that we have a great reservoir of talent and industry in America, and it's not all concentrated on the banks of the Potomac. You've got it here in Washington and, believe me, we've got it in 49 other States.

Jimmy Carter says we're not respected anymore. This week, America made a clean sweep of the Nobel Prizes for economics, chemistry, physics, medicine, and literature. This is the first time in the history of the awarding of those prestigious awards that a single country has been the home of all these winners. That doesn't sound like a second-rate operation to me.

I'm proud to be a citizen of this great country, just like you are. We've had our problems, but in the past 2 years we've come a long, long way. At home and abroad we're putting our old differences aside; we're putting old problems behind us, healing the wounds, the angers that existed some 2 years ago. It's a record that I'm proud to run on, a record the people of Washington and concerned citizens throughout the whole United States—Democrats, Independents, and Republicans—who can and will support this ticket of Jerry Ford and Bob Dole on November 2.

Give me your mandate, and we'll reduce the growth of government even more.

Give me your mandate, and we'll ensure the integrity of the social security system. We'll improve Medicare so that our older citizens can enjoy the health and happiness that they have so richly earned. There is no reason that our older citizens should have to go broke just to get well.

Give me your mandate, and we'll create a tax system that is fair to all, that will preserve the family, the family home, the family business, the family farm, that will give to business the tax incentives to build new plants, modernize old ones, and create more and more jobs throughout America.

Give me your mandate, and I will lead this Nation on the paths of peace

through strength, and we will live in peace and freedom in the United States of America.

I have no fear for the future of this great country. The future for America is a friend. And as we go forward, I promise you once more, as I promised you before, to uphold the Constitution, to do what is right as God gives me to see the right, and to do the very best that I can for America. God helping me, I will not let you down.

Thank you very, very much.

NOTE: The President spoke at 12:46 p.m. at Pier 57. In his opening remarks, he referred to Representa-

tive Joel Pritchard and Joe Garagiola, NBC sports commentator.

961

**Remarks at the Veterans Administration Hospital in Seattle.
October 25, 1976**

Thank you very, very much, Governor Dan Evans, Congressman Joel Pritchard, Mr. Dolezal, distinguished guests, ladies and gentlemen:

There is no greater privilege than to honor America's Medal of Honor recipients on Veterans Day by planting of this symbolic tree, planted here in the Pacific Northwest, where your forests are our national pride. This tree is symbolic of an America that stands tall for freedom. I'm determined to keep faith with our veterans. The planting of trees will mean little if we do not preserve the values that our heroes have saved.

One of my last official duties as Vice President, perhaps the hardest of all, was to present posthumously 14 Congressional Medals of Honor to the parents, the widows, and the children of America's fighting men who gave their lives in Southeast Asia. It made me even more determined when I became President to build the kind of an America they would have wanted for their families. With their valor, they paid the highest price for their Nation's freedom. We pledge to them, each in our own way, our resolve to preserve the freedom that they made secure.

I intend to preserve peace through military strength and effective negotiation. America's good will must never be misconstrued as a lack of will. Peace and security require preparedness as well as dedication.

As President and as a veteran of wartime service, I am determined that America recognize the veteran as a human being and not just a C number to be processed by computers.

Our great veterans hospitals must be the finest that medical skill, compassion, and dedication can create. The VA medical and nursing care system for the older veteran must become a showcase for the entire Nation. We must render the best possible service to all veterans, regardless of age or the wars in which they served.

To meaningfully commemorate Veterans Day and to pay tribute to our Medal of Honor winners, those great heroes, we must keep America strong in willpower, strong in character, strong in spiritual values as well as strong in national defense.

The trees we plant here and all across America today show our dedication to the values personified by the American veteran. I salute all those who we honor here today and ask God's blessing for them, those who gave so much.

Thank you very, very much.

NOTE: The President spoke at 1:45 p.m. In his opening remarks, he referred to Jerome R. Dolezal, director of the hospital.

962

Remarks on Arrival at Portland, Oregon.

October 25, 1976

Thank you very much, Bob Packwood:

Really, I feel very humble coming to the great State of Oregon and to have the endorsement of Edith Green, the endorsement of Mrs. Tom McCall, and the endorsement of such a prestigious group as you see on my right.

I think Oregon is extremely well-served by the two fine Senators that it has in Mark Hatfield and Bob Packwood. Of course, it was great to see my good friend, Wendell Wyatt.

I'm delighted to be here and have an opportunity to come back and renew acquaintances in the State of Oregon. And I can assure you that in the remaining days of this campaign, I will try, in a very constructive way, to point out the significance of this election, the fundamental differences that exist, and why, in my judgment, there ought to be a selection of Jerry Ford and Bob Dole as our leaders for the next 4 years. I can assure you that what we've done in the past 2 years will simply be a forerunner of the kind of progress that I think America can make and will make in the first 4 years of our third century.

Nothing was more inspirational to me than that wonderful Fourth of July, when America celebrated its Bicentennial. I found all over America—and it

was reported by the news media, I think, with great enthusiasm because it showed a change—America was healed, America was on the move, and we all look forward to a great opportunity to do the things in the next 4 and the next 100 years that must be done to make that vision of our forefathers a reality.

So, I thank Edith. She has taken on the leadership with two others, George Feldman and Dom DiMaggio, to get all the Independents and Democrats who feel, as I do, that this country does have an opportunity to do those wonderful things that our forefathers gave us the opportunity to do. I just couldn't come to Oregon and get a finer display of the kind of support that I want, and I thank each and every one of them from the bottom of my heart.

Thank you.

NOTE: The President spoke at 3:21 p.m. at the Portland International Airport. In his remarks, he referred to Representative Edith Green of Oregon 1955–75, George J. Feldman and Dominic DiMaggio,

cochairmen of the Citizens for Ford Committee, and Mrs. Tom McCall, wife of Governor Tom McCall of Oregon 1967–75, and Representative Wendell Wyatt of Oregon 1965–75.

963

Remarks in Portland, Oregon. *October 25, 1976*

THANK YOU all very, very much for coming out here. I know that this is a special effort on your part, but it is a wonderful welcome for me to come to Oregon, to Portland, and to have the fine support of people like Bob Packwood, Mark Hatfield, and of course, my very good friend, Edith Green, and Mrs. Tom McCall, and to have the demonstration of friendship and support from so many of you.

Let me say that in the remaining 8 days between now and November 2, I will be campaigning on the programs that have been successful. In the last 2 years—you know how tough it was 2 years ago when I became the President on August 9, 1974. We had lost trust in the White House; we were on the brink of the worst recession in 40 years; inflation was over 12 percent; and we were still involved in the war in Vietnam.

The American people, working with me, have been able to turn this situation around, and we have made incredible progress. We are on the way to a healthy economy. Inflation is less than 6 percent; we have 4 million new jobs; 88 million people are working in America—the highest in the history of the United States.

We are out of the war in Vietnam, and we have the capability to stay at peace. And I am proud to say to you, as I say to your fellow Americans, not a single

young American is fighting and dying on foreign soil today, and we are going to keep it that way.

But the progress we have made in the last 2 years is not what we need or want, but it is the foundation from which we can build. And in the next 4 years, with your support, we can build those things that will give to all of us—you in Oregon and all of the 215 million Americans in 40 other States—the quality of life that is so essential, not only for us but those to follow. And I pledge to you that in the next 4 years, we will do better than we have done, and you will be proud of America, as I am.

Thank you very, very much.

NOTE: The President spoke at 3:50 p.m. in the Parkman Room at the Sheraton-Portland Hotel. In his opening remarks, he referred to Senators Bob Packwood and Mark O. Hatfield, Representative Edith Green of Oregon 1955–75, cochairman of the

Citizens for Ford Committee, and Mrs. Tom McCall, wife of Governor Tom McCall of Oregon 1967–75.

As printed above, this item follows the text of the White House press release.

964

**Remarks and a Question-and-Answer Session in Portland
With Members of the National Association of Broadcasters.
October 25, 1976**

THANK YOU very much, Vince Wasilewski. I've learned a little Polish in the last few days. [*Laughter*]

Well, it's great to be back in Oregon with so many good friends, and I feel very self-conscious after hearing the wonderful observations and comments and endorsement by Edith and the humor of your former Governor Tom McCall and the fine comments made by Bob Packwood.

I just want to say to you that it is a great privilege to be here in Oregon. And Edith hasn't asked me for any comments I might make about the debates, but I have made the observation that I think they would be better if Jimmy Carter answered the questions and I questioned my answers. [*Laughter*]

Well, thank you for the invitation to be here and participate in this regional conference. I would greatly prefer the opportunity to just respond to your questions.

I have a very brief statement.

Just one week from tomorrow about 215 million Americans, and roughly 150 out of that 215 have an opportunity to vote—tragically, it's indicated that no more than 50 percent of those eligible will vote. But I hope and trust in the remaining

8 days that, through your efforts and the efforts of my opponent and myself, we can stimulate a greater participation.

I think it's one of the most crucial campaigns in at least my lifetime. The impact that all of you can have in stimulating participation can be very significant. Your coverage, as far as I have been able to observe, whether it's locally or by the networks, has been fair, evenhanded.

It's also true that there's an abnormal number of undecideds. It's my job and that of my opponent to try and persuade that very significant element to participate and to make a decision.

I'm a little prejudiced as to where I hope they cast their final ballot, but it's my job and that of my opponent to point out the very fundamental differences that I think exist between what he intends to do if he were President—both domestically and internationally—and what I will do following the 2 years that I've had the privilege of being your President.

The American people really in the past, I think, have used exceptionally good judgment, and I have great faith that in the next 8 days there will be decisions made by them that will point the direction in which this country goes.

I hope and trust that I can be persuasive in giving them the option that I offer of the kind of programs we've had as a foundation for a better America in the next 4 years, leading into our third century of America's great history.

With that, I'll be very glad to respond to any questions.

Q. My question for you today, sir, is, how do you feel the broadcasters have treated you during the election campaign?

THE PRESIDENT. I say with great sincerity that I feel the broadcasters have been fair, evenhanded. I might have changed a little story here and there. [*Laughter*] As I've said, I've made a mistake or two, but overall I think the electronic news media has handled this election with great fairness, great equity, and in the highest tradition of your profession.

Q. Washington, Oregon, and Montana are three States—among about 19, I believe—that have initiated ballot measures regarding nuclear energy. The proponents believe we need more rigid controls on nuclear powerplants, and the opponents believe the measures will stop further growth of nuclear power.

What is your recommendation to the voters of these States regarding nuclear power as a future source of energy?

THE PRESIDENT. Well, I'm not a voter in Oregon or any of the other States where that issue is on the agenda, but let me give you my personal feelings concerning the role of nuclear energy.

As this country faces the tremendous task of trying to meet certain goals by

1985—where we must have a much higher degree of energy independence than we have today—as you look at the potential sources of energy that we have in the United States, if we’re going to make ourselves more invulnerable between now and 1985 against any Arab oil boycott, nuclear energy has to play a significant part. But I, at this point, like to emphasize that nuclear energy utilization must have the highest safety standards possible that our scientific genius can give us.

Now, since I’ve been President, we have significantly increased our research and development funds in the energy resource and development agency so that by whatever means we can scientifically, we can increase that safety factor.

But I would like to add this parenthetically: The statement I make on nuclear energy I make in Washington, D.C., I made it in California in May, and I make it in Oregon today. It doesn’t change. Nuclear energy is an important, significant part of our overall energy program and, therefore, with adequate safety and adequate safeguards, I think that we must have in Oregon and the other 49 States a nuclear energy program.

Q. First, I commend you on being able to pronounce the name Oregon properly. [*Laughter*] We are very proud as broadcasters for having been able to bring debates to the public and to provide an opportunity for the public to see both you and your opponent. We would ask you whether or not you would support the permanent or regular removal of the problems of 315¹ on Presidential debates in the future in order that they can be held without the exigencies and the burden that was previously employed by that act.

Secondly, would you also suggest removal of 315 for other debates at other levels so that we could take another step forward on the first amendment rights?

THE PRESIDENT. This is a very difficult question to give any pat answer to, and I think you and this industry recognize it probably better than I. I believe in free debate among political candidates at all levels.

When I was a candidate on 13 occasions for the House of Representatives, I either challenged my opponent, when I first ran against an incumbent, or I accepted a challenge whenever an opponent challenged me in the succeeding 12 elections. And as you know, I challenged Mr. Carter to the debates that we’ve had this year.

I think they should be institutionalized in our American political system. Now, how you can do it in a legislative way without precluding candidates who might have a legitimate reason to be a participant, that’s one problem; the other, I

¹ Section 315 of Title 47 of the United States Code requires that legally qualified candidates for public office be afforded equal opportunities in the use of a broadcasting station.

understand in some States there are as many as 19 Presidential candidates who are legitimately on the ballot in some States.

So, the conflicts that you run into are almost insoluble. I think if I had a choice, I would leave it up to the good judgment of those that have the responsibility in the electronic media to use how they think the airways ought to be used. I've never seen that abused where it has been given some flexibility. So if 315 has to amended to put more burden on you, more responsibility on you—a responsibility that I think you've handled well—I would favor it.

Q. If we can have the burden, we'll take the responsibility.

Q. Mr. President, I have an easy question for you, I believe. Of our two industries, radio and television, television gets much of the glamour, but as a radio broadcaster I know most people in my town start their day with their radio. Sir, I would like to know, on an average day—and I realize the past few have not been average for you—how do you start your day? How much time do you spend with radio, sir? [*Laughter*]

THE PRESIDENT. What was the last? I didn't hear that.

Q. How much time do you spend with radio? Is radio important in your day?

THE PRESIDENT. Well, I usually get up about 5:15 in the morning. I spend a couple of hours reading the Washington Post and the New York Times and a daily news summary and my intelligence briefing. And I usually do a little exercising to try and keep in reasonable shape.

I get to the office roughly 7:30, quarter of 8. While I am reading in the morning before breakfast, I either have the radio on, if television isn't on, or I have the television on while I'm—[*laughter*]
—I have the television on while I'm eating breakfast. But I think it's a very important part of the first 2, 2½ hours of the day: one, to get the news as it comes in two of the major newspapers in the East and the news summary that I get, plus the up-to-date news that comes early in the morning with radio first and television second. I wouldn't try to balance them in minutes, but I'm the beneficiary of both.

Q. This may seem like a broadcaster question, but it's really a public interest one in a way, and I know you're a sports fan. We've had a recent example here of where Home Box Office, a pay cable organization, was able to outbid local stations or an interested network in the NIT tournaments. And in a very short period of time it's estimated—perhaps in 2 or 3 years—pay cable is going to be able, due to its affluence and income, to outbid networks and local stations for much of the top and choice programing, including sports. And I'd like to

ask you what your view is on the siphoning of free broadcast programming to pay cable?

THE PRESIDENT. Well, it's my recollection that I just signed a bill within the last week that in effect had an agreed solution as far as cable television taking some of the programs from some of the networks that are now handling our sports programs. The copyright legislation which Edith and I, along with Wendell Wyatt—who I think is here—I'm sure can remember the debate that Dick Poff and Manny Celler² and others had about 7 or 8 years ago. But it's my understanding in the bill that I signed there is an agreed resolution of how that problem between regular broadcasters and cable people will handle the picking up of programs. Am I wrong in that?

MR. WASILEWSKI. Unfortunately, sir, it does not apply.

Q. I guess perhaps your general view about pay cable, highest price to the smallest market, you know, the philosophy of it.

THE PRESIDENT. Well, I love sports broadcasts, and anything that takes that away from me as a viewer or listener, I'm going to raise the devil about it. [Laughter]

Q. Broadcasters have been working for an increase from 3 years to 5 years for license renewal periods. I wonder if you would comment on this longer license renewal period.

THE PRESIDENT. As I recall, Congressman Jim Broyhill of North Carolina has been sponsoring the extension from 3 to 5 years. I have supported that proposal. I think it's in the interest of the industry and in the interest of the public as a whole.

Q. Many of us have applauded your efforts and your speeches on the general area of deregulation. When you are elected President, will you support the proposals to deregulate the radio and television stations in this industry?

THE PRESIDENT. I did not submit to the Congress any deregulation legislation in this area. I did submit to the Congress regulatory reform in the trucking, the airline, and the railroads. I am not familiar with any specific legislation—at least none has come to my attention from my staff—for any deregulation of this industry by the Federal Communications Commission.

Until I see what such proposals might be, what impact such proposals might have, I think the current circumstance, with the exception of going from a 3- to a 5-year license period, I think the situation has been reasonably well

² U.S. Representatives Edith Green of Oregon 1955–75, Wendell Wyatt of Oregon 1965–75, Richard H. Poff of Virginia 1953–73, and Emanuel Celler of New York 1922–73.

handled. So, without having more information, I think it would be premature and unwise for me to make an off-the-cuff comment.

I would welcome recommendations from your industry, and I'm sure that Vince and all of you will see to it that I hear about it. [*Laughter*]

Q. As a past member of the NAB Television Board, I would like to ask you, do you think the family viewing hour concept has been good for national television, and do you favor more industry self-regulation as opposed to Government regulation?

THE PRESIDENT. To answer the last question first, I strongly feel that self-regulation is infinitely preferable to Government regulation, period.

Since our children are now grown up, and we don't have any grandchildren yet, and since I seldom get back to the residence to watch any programs until about 8, 8:30, I'm really not the best judge of how the programs have been going. But, believe me, the impression I get is that the honest, bona fide efforts to take this period of time and focus it in a wholesome direction, in a self-regulatory way, I wholly applaud. And I've heard minimal complaints about the way it has been done.

Q. It has been reported recently that Mr. Carter would make his first appointment to the Federal Communications Commission from the ranks of the Ralph Nader³ group. Do you have some feelings along those lines? [*Laughter*]

THE PRESIDENT. Well, I think we could find a more objective person—[*laughter*—]—than somebody that comes from that organization. I'm proud of the appointments that I've made to the various regulatory agencies. I'm proud of the person that I selected to be a member of the Supreme Court. We picked in that case—and I use it as an illustration—a person who was fully qualified legally, who was overwhelmingly approved by a potentially very critical United States Senate, dominated by individuals who are perhaps much more liberal than I.

But Circuit Court [Judge] John Paul Stevens was an outstanding jurist, and he was overwhelmingly approved. And for the first vacancy in the FCC, I would seek to appoint somebody of that same caliber in this particular field. I don't think we ought to pull somebody out of a certain segment of our society just to perhaps show off a bit.

Q. Several months ago a member of your staff, Mr. Paul MacAvoy,⁴ issued a proposal which was so overwhelmingly in favor of cable television that it has caused serious concern among broadcasters. May I ask whether you endorse Mr.

³ Consumer activist and a trustee of Public Citizens, Inc.

⁴ Member, Council of Economic Advisers.

MacAvoy's proposal and whether its goals will receive your active support if you are elected?

THE PRESIDENT. Well, that report came to me roughly 3 or 4 months ago, as I recollect. I was not satisfied with that report. I told the group to go back and to reevaluate the overall situation and to report back to me when they had, in my opinion, made recommendations that I felt were more in line with my own views. That group has not yet reported back to me—and I can't tell you when they will—but I did not approve of the one that was submitted to me.

Q. What future role do you see for the Office of Telecommunications Policy under your continuing leadership?

THE PRESIDENT. The Office of Telecommunications is currently more or less the telecommunication adviser to the President himself. There is a division of opinion in the administration. One group advises me that it ought to be folded into a reasonably comparable unit within the Department of Commerce, the feeling being that those two were duplicating one another. Others feel that the Office of Telecommunications ought to be maintained as the communications adviser to the President, and probably expanded in some respects.

I anticipate that between now and January I will make a decision, and I expect to have an option paper from the two differing views within the administration. I don't think it's proper for me to make that judgment today, preempting the hard work that I know both are doing. But I will make a judgment before January and make that recommendation to the Congress.

MR. WASILEWSKI. Mr. President, I think your schedule is—

THE PRESIDENT. Let me take three more. I'm enjoying this.

Q. Past administrations have been highly critical of our free enterprise broadcast system. And since you've had the opportunity in your world travels to see how other countries operate theirs, how would you compare our system to theirs?

THE PRESIDENT. Well, my observations in the numerous foreign countries that I have visited—it's my strong conviction that our radio-television system here is far preferable to what I've seen overseas. On the other hand, I think it's proper for me to say that I have given more support, financially and otherwise, to public broadcasting than any other President. I think public broadcasting plays a very important role in our society, and I am pleased with the management and the content that I've personally observed.

But I think we basically want the free enterprise part of broadcasting to continue its very vital role, and I would vigorously oppose any nationalization of the electronic media in this country. Competition from public broadcasting is healthy, and it performs a certain function. But to have a totally monopolistic

electronic situation in this country would be an anathema to me, and I would vigorously oppose it.

Q. Do you think that broadcasters might gain equal status with the print media as far as the fairness doctrine is concerned, at least some time in the near future?

THE PRESIDENT. Will you repeat that again, please? You're getting me in the midst here. I like them all. [*Laughter*]

Q. Do you think that broadcasters might gain equal status with the print media as far as the fairness doctrine is concerned, at least some time in the near future?

THE PRESIDENT. Well, in all honesty, when I say I feel friendly toward the news media, period—and that's all-encompassing—I do. I don't always like every story I hear or every comment made on radio or television, but I've always adopted the feeling that I had a job to do in the Congress as minority leader or as President, and I hope they understood my responsibilities.

In turn, I understand that they have a responsibility—a responsibility to the public, a responsibility to their employer—and I've always felt that they performed very admirably. Don't get me in-between who is the best or the worst between the electronic and the writing press. I got enough troubles without that. [*Laughter*]

NOTE: The President spoke at 4:24 p.m. in the West Ballroom at the Sheraton-Portland Hotel at the association's Northwest regional meeting. In his opening remarks, he referred to Vincent Wasilewski, president of the National Association of Broadcasters, Representative Edith Green of Oregon 1955–75, co-

chairman of the Citizens for Ford Committee, and Senator Bob Packwood.

Following the question-and-answer session, the President met privately in the Washington Room with Oregon labor leaders.

965

Exchange With Reporters on Departure From Portland, Oregon. *October 25, 1976*

I JUST thought we might take a minute to answer some of your questions before we take off for Pittsburgh. We have had a wonderful 2 days in California, Washington, and now in Oregon. We are very optimistic. We think the momentum is going with us. We are going to surprise some people. And to stop here in Oregon, with Edith and all the others who came forward and indicated their support, just makes this stop a wonderful one and a very fine last few days.

So, if you have any questions, go ahead.

REPORTER. Mr. President, are you surprised to be finding yourself running

literally neck-and-neck with Jimmy Carter at this late stage in the campaign, and are you confident of turning it around in 1 week?

THE PRESIDENT. When you look back before our convention in Kansas City, where we were 33 points behind nationally, and now we are virtually neck-and-neck. I think we are going to win because we have the momentum going with us. I think it proves the American people support what we have done in the last 2 years and know that from that foundation we can build a better America in the next 4. So, I am just very, very thankful for the support we are getting from people all over the country.

Q. Mr. President, our Senator was warned that if the nuclear initiative should pass this State or other ones, that the Federal Government might intervene, we might see the Congress stepping in to tell the States to build nuclear plants anyway. Do you foresee that happening?

THE PRESIDENT. I wouldn't want to pass judgment on anything of that kind. I expressed myself this afternoon that I believe nuclear energy is a very important ingredient in our effort to become energy independent by 1985. At the same time, I fully recognize that we must and we will maximize our efforts to achieve safety in the development and the implementation of a nuclear energy program.

Our scientific efforts are superb in this country. The best recognition, I think, is the fact that we won seven of the Nobel prizes, the first time in the history of those prizes that one nation had a sweep. As I recall, three or four of those people were nuclear experts. So, we are going to get safety, we are going to have adequate safeguards, and we are going to get nuclear power. I think it will be in the best interests of the United States.

There is a young lady back there.

Q. Do you think that a comprehensive health care program is imminent, and if you do, can you talk about what form you think it will take?

THE PRESIDENT. Mr. Carter has embraced comprehensive mandatory national health insurance. I think there is a better answer. I feel that the Federal Government, with the kind of recommendation that I have made for catastrophic health insurance for the individuals in our senior citizen area—they need catastrophic health insurance, and I am going to get the Congress to do something about it in the next session.

But I don't think we should federalize health care, as Mr. Carter proposes to do. I don't think that is the right answer. It hasn't worked in the countries around the world where they have tried it on a mandatory basis. I think there is a better answer, and the one I propose is the best one.

Q. Mr. President, could I ask you again the question that I asked you earlier in the day?

THE PRESIDENT. Of course, Phil [Philip H. Jones, CBS News].

Q. Why have you stopped attacking Jimmy Carter by name, as you were doing just a few days ago, or before the last debate? Have you stopped because you found it was backfiring?

THE PRESIDENT. Not at all. We found that his programs were not catching on. We found that our affirmative approach was making significant headway, and when you are doing the right thing by talking about programs that the public supports—peace, restoration of trust, and a healthier economy—the people support it. Why should I bother about the programs the public is apparently turning down that he recommends?

Q. So, from now on you are not going to attack Jimmy Carter by name in the rest of the campaign?

THE PRESIDENT. I am not going to go that far. There may be some slip or some mistake that he is prone to make, and if he does, I will remind the American people of it so I can get the press to do the same.

Q. But no more of this waffler and all this other business that you were calling him just a few days ago?

THE PRESIDENT. I said we were going to be very affirmative, Phil, and I hope that the American people will do as I think they are doing—they are going to accept and endorse and embrace the affirmative Ford programs, and the polls show we are doing real well.

Q. Mr. President, on your schedule, I believe you were to meet with a bunch of labor leaders from Oregon here at 5 o'clock. Did you, in fact, meet with them? There were some reports that none of them showed up.

THE PRESIDENT. It is my understanding that for various reasons which you ought to ask them, they were not available.

Q. Did you meet with any labor leaders while you were here?

THE PRESIDENT. You would be very pleased to know, I am sure, that Tom Murphy, the head of the Bricklayers [International Union of Bricklayers and Allied Craftsmen], a week or so ago, endorsed the Ford candidacy. He is the head of the international group.

Q. But you didn't meet with any of the important leaders?

THE PRESIDENT. No, I did not.

Q. Mr. President, the last-minute saturation campaign on TV and on radio that you are conducting, do you think this is a last-ditch attempt to gain the momentum that you need, or was this planned all along?

THE PRESIDENT. This was a well-planned campaign, and we followed the program that we outlined after Kansas City almost precisely. And we are now utilizing the legal resources the way we thought they could best be utilized. And I think they are going to be effective, because we have good television advertisements, they are all affirmative.

Our campaign strategy was decided right after Kansas City. It is working, as we have gone from a deficit of 33 points around the country. So, we are neck-and-neck, and we have the momentum, and I would rather win in the fourth quarter than be ahead in the first.

Q. Why didn't you appear with Ronald Reagan at any time during this Far West campaign?

THE PRESIDENT. Because he had other commitments, I think there was a telegram which I understand—

Q. Some of your aides said they didn't believe that excuse, that they felt that he was up at his ranch forming another party so if you lose on November 2, he can come out.

THE PRESIDENT. Oh, you are in a very disagreeable mood today. [*Laughter*] And you are such a nice guy. Why are you so disagreeable today?

Q. You don't have any suspicions?

THE PRESIDENT. Not at all, because I called him and talked to him the day before, and he had a longstanding commitment and he made the suggestion himself—

Q. That he not be on the show with you?

THE PRESIDENT. That he could not break these irrevocable commitments. And he made the suggestion that he would send a telegram, which he did which was circulated with the press. And I talked to him personally. So, I know precisely what his plans were, how firm those commitments were, and he made the suggestion to send the telegram.

Gosh, Phil.

Q. You believe him?

THE PRESIDENT. Oh, don't be so disagreeable.

Q. Mr. President, would you be inclined to go to Texas if you had a choice?

THE PRESIDENT. We hope to go to Texas before November 2.

Q. Would you invite Governor Connally to share the trip with you?

THE PRESIDENT. I would certainly hope that he would. And I know from the last trip to Texas that John Connally is doing 110 percent on behalf of President Ford and Bob Dole, so I am confident that unless he has some other commitments that make it impossible, that John Connally will be on the program.

Can you imagine a better team—Garagiola, Connally, and Green?¹ Man, that will be something.

Yes, Dick? [Richard Growald, United Press International.]

Q. Did you hear that Jimmy Carter was hiding out down in Plains this weekend?

THE PRESIDENT. Well, if he was hiding in Plains, I understand that Helen Thomas [United Press International] found him. [*Laughter*] I understand she asked him a few very pertinent questions, which I know Helen can be real tough. I am glad she is down there helping his cause.

NOTE: The President spoke at 5:20 p.m. at the Portland International Airport.

As printed above, this item follows the text of the White House press release.

966

Radio Address on Taxes. *October 26, 1976*

GOOD MORNING. I would like to talk with you this morning, as this year's campaign nears its end, about a subject that is very much on the minds of most American families—taxes. As I have traveled around our country in recent weeks, people have told me, Mr. President, things are going well. America is going back to work. There is a new spirit of confidence in our land. But there is one problem that is bothering us very much—the heavy burden of taxes.

I completely sympathize with this feeling. And I have tried to do something about it. I asked Congress to cut taxes this year at a rate that would have put an extra \$200 in the pocket of the average American family. But Congress turned me down. Next year, with the mandate of your votes behind me, I will go back after them again—and this time we will succeed.

I want to cut taxes, not simply because I want American taxpayers to be able to keep more of their hard-earned dollars but also because more money for the American consumer means more growth for the American economy—which in turn means more jobs, higher return on investments, and greater prosperity for all of us.

Federal income tax payments per capita have gone up more than five times since 1950—more than twice the rate of inflation. This means that we taxpayers are giving more and more of our dollars to the Federal treasury—dollars that we could otherwise be using for ourselves and our families.

¹ Joe Garagiola, NBC sports commentator; John B. Connally, Governor of Texas 1963–69 and Secretary of the Treasury 1971–72; and Edith Green, Representative from Oregon 1955–75 and cochairman of the Citizens for Ford Committee.

Of course, when I asked Congress to cut taxes, I linked that request to a matching cut in Federal spending. Reducing taxes while continuing to increase spending is nothing but a cruel illusion. Money for that added spending must come from somewhere. If it does not come from taxes, then it must come from inflation—the harshest and most unfair tax of all. By standing up to Congress against increased Federal spending, I have at least been able to preserve the tax reduction that we put through last year. The opposition party, in contrast, has promised new programs calling for huge increases in Federal spending during the next 4 years.

The total cost of these programs would be about \$200 billion—requiring a 50-percent increase in Federal taxes. Just four key programs promised in the Democratic platform, including the Humphrey-Hawkins Federal jobs bill, would cost just over \$100 billion.

A tax increase of this kind would not only place an unfair burden on American taxpayers, it would wreck our economy—raking off funds needed for investment, driving up inflation, causing a new and deeper recession. We have seen in Britain the result of excessive taxation and unwise government spending—inflation, recession, economic stagnation. I am determined to prevent any similar fate from overtaking our own country.

We Americans have always been prepared to pay our fair share of the costs of maintaining a free society. We know that taxes are not going to go away. But we also know that taxes pushed too high become a threat to freedom itself. The time has come to take a stand. Next Tuesday, with your help, we will check the growth in Government spending, and pave the way for a new cut in Federal taxes.

NOTE: The President's remarks were recorded for broadcast over the Mutual Radio Network.

The text of the address was released at Portland, Oreg.

967

Remarks and a Question-and-Answer Session With Members of the Pittsburgh Economic Club in Pittsburgh, Pennsylvania.

October 26, 1976

Thank you very much, Mr. Burnham, Mayor Flaherty:

It is a great privilege and pleasure to have the opportunity this morning to say a few words and answer a few questions before the Pittsburgh Economic Club. Some 20 years ago, speaking before the League of Women Voters, Presi-

dent Eisenhower was asked about the goals of the United States foreign policy. He said, and I quote, "The foreign policy of our Nation is not difficult to state. We are for peace—peace first, last and always."

Today, that remains the central purpose of every American foreign policy. It has been the purpose of every administration since I went to Washington more than a quarter of a century ago. In fact, looking back over those years through the terms of six Presidents—three Democrats and three Republicans—you will find that while the emphasis may have changed from one administration to another, the foundations of American foreign policy have remained essentially the same.

There have been some misjudgments. Sometimes we have made commitments that exceeded our capabilities. Sometimes we have been heavy-handed. But the record of achievement far, far exceeds that of failure.

Throughout my time as President, I have shaped our foreign policy according to these four basic principles: First, we have sought to maintain America's unquestioned military strength. Second, we have tried to maintain and strengthen our friendship with our allies. Third, working from a position of strength, we have sought to reduce tensions in the world and to avert the threat of nuclear holocaust. Finally, we have tried to act as a leader and as a peacemaker in resolving the many difficult problems that have arisen within a community of nations that has been constantly expanding.

There is no better testimony of the wisdom of our policies than the fact that today America is at peace. Not a single one of our young men is fighting or dying on any foreign battlefield. The draft no longer hangs over the head of our younger generation.

Today, America is strong, ready to meet any challenge to our national security. Our relationships with our allies have never been better, a point that has been echoed repeatedly as leaders of other nations have streamed to our shores in our Bicentennial celebration. And our adversaries respect us, they respect our commitment to freedom, and they respect the strength and the will to protect it.

The peace that exists today is directly related to our collective hard work and skillful diplomacy, and I am very, very proud of what we have accomplished. I am very proud to be the first President since Dwight Eisenhower to seek election with America at peace.

What concerns me is that during the closing weeks of this Presidential campaign, it has become apparent that America is now being asked by my opponent to make a fundamental change in the direction and the conduct of U.S. foreign

policy. As citizens and as voters, you are being asked to decide whether you wish to build on the great traditions of American foreign policy, the policies that kept us strong and at peace, or whether you wish to break from these traditions, venturing into the unknown with a doctrine that is untested, untried and, in my view, potentially dangerous.

This doctrine deviates—deviates substantially—from the solid principles of bipartisan foreign and defense policies of the last 30 years. It has a strong flavor of isolationism. If it is applied in practice the same way that it is described in campaign oratory, there is a significant risk it could lead to major international crises.

Let us look for a few minutes at the most significant differences between the policies of my administration and those that are offered as an alternative. During the 2½ years of my Presidency, I have fought hard to strengthen our national defense. When I took office defense spending was a smaller share of the national budget than at any time since before the Korean war. We were at the razor's edge in defense strength. If the Congress had continued cutting our defense budget, we would assuredly have drifted into a position of military inferiority.

One of the most significant achievements of this administration is that we have now reversed that slide. And as long as I am President we are going to have an Army, a Navy, an Air Force, and a Marine Corps that are unsurpassed in military capability.

I know it is very costly. As President Eisenhower once said, and I quote, "A good defense is never a cheap defense," end quote. But for the sake of peace and freedom we must be willing to make the sacrifices that maintain America's military might.

Now consider the alternative that is being offered to the American people in this election. Instead of maintaining our military strength, the alternative proposed is to slash billions from our defense budget, stripping us not of waste but of military muscle. The B-1 bomber is a prime example. I believe it is essential to our security to go forward with the production of this new aircraft, which has met and surpassed every test to date. It would replace the aging B-52 so that our pilots can defend America in an aircraft that gives us a reliable capability for penetrating improved air defense systems of our potential adversaries.

So, the differences in defense spending are clear. I want to continue a course which I believe will keep us strong and free. The alternative is to head down a road which could raise doubts about our strength, our determination, on the part of our friends as well as potential adversaries.

A second basic principle of America's policy is to maintain strong, durable

relationships with our allies. When I took office, America was in the midst of a constitutional crisis. We were still suffering from the bitterness of Vietnam, and we were faced with a deteriorating economy. The world was watching to see if we could recover. They knew it was critical to their own future, because if America became mired in self-doubt, then the peace of the world would be jeopardized.

And I am very proud of our record during this period of severe testing. We have led the world out of the most dangerous recession since the 1930's, and launched our economic recovery without producing another round of devastating inflation.

The economic comeback of the industrial democracies is being accomplished not with the "beggar thy neighbor" policies of the 1930's, but with an unprecedented degree of cooperation, as witnessed by the summit meetings in France and Puerto Rico of the leading industrial nations.

In Europe, we have injected new vigor into the Atlantic Alliance. We have successfully resisted congressional pressures to reduce our NATO troop commitments. We have worked closely with our allies on the energy crisis, on the nonproliferation of nuclear weapons, on economic policies, and on coordinating our approaches to East-West diplomacy. The alliance in Europe has never been stronger.

We have also made significant progress in the Middle East. The United States stands staunchly by Israel, supplying in just 2 years over 40 percent of all U.S. aid to that country since its founding in 1948. At the same time, we have earned the respect and the confidence of the Arab nations. Today, the United States is the only major leader trusted by both sides in the Middle East. They want our leadership, and we will continue to provide it.

We can also look to Asia with new confidence today. We now enjoy the strongest links ever with Japan. This was symbolized by the first visit—the first visit ever—of the Emperor to the United States, and my own visit to his homeland, the first visit to Japan by any American President.

We have remained steadfast in the Korean peninsula. We have put the Vietnam war behind us in a way which has protected our essential interest and maintained America's respect in that part of the world. We have opened the door to better relations with China.

Now let's look at the alternative that is being offered in this election. Instead of holding firm in Asia, we are told that we should pull our troops and major weapons systems out of Korea—an invitation to disaster, not only there but in Japan as well.

In Europe, we are told that we should not close the door to consultation and friendship with the Communist leaders of Italy, France, and Portugal. I am deeply concerned over the impact that such an approach would have upon the democratic parties that have for decades waged a struggle to preserve freedom against Communist tyranny.

In the Middle East the alternative appears distinctly hostile to our friendship with moderate Arab nations. I can tell you from experience that such a total departure from current policies could drive these countries into the arms of the Soviets, threatening the stability of the area and eventually inflicting enormous harm upon the very country that it purports to help—the State of Israel.

Let us look now at still another basic principle of our foreign policy: to reduce tensions with our adversaries and reduce the threat of nuclear war. Over the past 2 years, we have taken significant strides down the path toward halting and reversing the strategic arms spiral. Early in my administration I met with General Secretary Brezhnev in Vladivostok, where we pledged our mutual efforts to reach a new agreement limiting nuclear armaments. Today, an agreement embodying the Vladivostok accords is 90 percent complete. I am optimistic that it can be successfully concluded in the near future and that we can work even further for reductions in nuclear weapons. When that agreement is reached, the prospects for reducing the dangers of a nuclear holocaust will brighten around the world.

But let us never forget, American Presidents have learned that tough talk by itself is insufficient. It is too easily dismissed as bombast. Our rhetoric must be backed by substance, a strong national defense, strong alliances, and strong diplomacy.

In place of a strong defense, the alternative called for in this election is a weakened defense. In place of strong alliances, we are offered troop pullbacks and sweeping reviews of America's commitments to its allies. In place of the strategic arms agreement at Vladivostok—which provides for equal numbers at a level requiring Soviet reduction—approximately 200—the alternative proposed is a freeze at current levels. This major step backward would lock us into force levels, which for the Soviet Union would be higher than agreed to at Vladivostok and for the United States significantly lower.

In the past, American Presidents have always known they should never say in advance precisely what course of action this country would take in the event of an international crisis. The reason for such an approach ought to be very obvious. When a potential adversary knows what you will and won't do in

advance, your flexibility is limited and his is increased. He can probe with impunity or redirect his efforts at more tempting targets. The acquisition of knowledge about such intentions in advance is one of the major reasons why countries spend vast sums of money for intelligence activities.

Thus, it was with some surprise that I heard a specific proposal for total economic warfare against the Arabs in the event of another embargo. I thought such a statement of a specific course of action in advance was a singular mistake which once made would not be repeated. I was, therefore, surprised to hear him make the same mistake at Williamsburg in an ill-advised comment concerning what he might or might not do if the future security of Yugoslavia was threatened. Statements of this kind—as we learned over 25 years ago—instead of serving the cause of peace invite conflict. I have assumed that this statement—and I say this with some sorrow—simply reflects inexperience.

Ladies and gentlemen, even though America is at peace today, we must recognize that we continue to live in a very dangerous world, a world hostile to freedom.

Unrest is still seething in many parts of the globe. The challenge to American diplomacy during the next 4 years will be equal to any other period in our lifetime. We must complete negotiations on a SALT agreement to replace the current treaty, which expires in October 1977. We must continue our efforts to defuse the powder keg in southern Africa. We must work to achieve a just, stable peace in the Middle East. We must restore economic prosperity. We must deal intelligently and compassionately with the new agenda of world issues, such as nuclear proliferation, economic interdependence, food, energy, pollution, and growing populations.

We can succeed in these tasks only if we remain true to the great principles that have guided United States foreign policy for more than a quarter of a century.

This is not a time to weaken our defense, to refuse to equip our troops with essential new weapons, to undermine democratic leaders by hinting at new relationships with Communist leaders in Western Europe, to withdraw our troops from South Korea, to upset the balance in the Middle East, or to concede such nations as Yugoslavia to the Soviet sphere. This is a time to benefit from and build upon the wisdom that we have inherited.

The peace that we enjoy today is not an accident. The peace we have today is a product of the patient diplomacy and the determination of the past.

To preserve the peace, we must be willing to pay the price for a mighty force. To preserve the peace, we must be willing to shoulder the burdens of our alli-

ances and our friendships. To preserve the peace, we must be tough-minded and persistent in our dealings with our adversaries. Never—not once—can we drop our guard. To preserve the peace, we must apply the enormous talents and technology in this great country to advancing gains made in farflung corners of the world, stretching from the Middle East to southern Africa.

To preserve the peace, we must be generous and compassionate toward others less fortunate than ourselves.

Finally, to preserve the peace we must be true to the ideals of America, to our love of freedom and dignity and justice for all mankind.

These are my goals as your President. They are the goals of a great nation. With your help, with your prayers, I will continue to pursue during the next 4 years these policies. And I pledge to you today that as long as I am your President I will never let you down.

Thank you very much. I would be delighted to respond to questions.

I can't see through the lights, but go ahead.

Q. Mr. President, I'm J. R. Ferguson, executive vice president of U.S. Steel. I would like to turn perhaps to an economic rather than a foreign policy question. Will you outline specific programs you will recommend to Congress which will stimulate capital formation and thereby the creation of jobs for our growing working forces?

THE PRESIDENT. I will submit in January a tax reduction program that will have two major prongs. Number one, I firmly believe that the middle-income taxpayers in this country over the last decade has been shortchanged. And our analysis indicates that the best way to help and assist that wide range of taxpayers in this country is to increase the personal exemption from \$750 to \$1,000. That will be the fundamental.

I should add that I recommended that to the Congress in January of last year. After fooling around with the tax problem for almost 10 months, they ignored it. But they are going to get it right back on their desk in January. And if they don't pass it then, we are going to go after them next year, and if they don't pass it then, we are going to go after them in the next election in 1978.

But that would help, as I have indicated, in the consumer area. But, at the same time, I feel that we have to make some reductions in our corporate income tax rates; that you cannot, under the present circumstances, finance the expansion, the modernization, and all the other things that are essential at the present Federal income tax burdens that business bears.

So, we are going to approach the problem on the one hand to increase con-

sumer purchasing power at the Federal level and, at the same time, create tax incentives for business to provide more jobs.

Q. Mr. President, my name is Henry Gailliot; I'm an economist for Federated Research Corp. Governor Carter has stated that a philosophical goal of his administration would be to keep the Federal Government's share of our gross national product in 1981 at a level that approximates that of today, that is, the Federal Government's share of our total economic pie would stay constant after decades of growth.

Do you subscribe to this goal or would you promote the perhaps more ambitious goal of a slight reduction in the Federal Government's share of our total economic pie by the end of your next administration?

THE PRESIDENT. I do, and I think we can do it in several ways. Number one, I believe that we can continue sufficient pressure on the Congress to restrain the rate of growth of Federal spending. The figures indicate that for the past 10 years the rate of growth of Federal expenditures has been about 11 percent. And if you project that into the next quarter of a century, the problem you, I think, are concerned about multiplies.

So, in the budget that I submitted last January for congressional consideration reduced that rate of growth by 50 percent or a rate of growth of 5½ percent. We made some headway. The Congress added about \$18 billion over the actual dollars that I recommended for the budget for the current fiscal year, but that is better than they have been doing over the last 10 years.

So, what we hope to do in the future is to continue that pressure so the rate of growth of Federal expenditures keeps going down. I concede you will have to have some increase just because of inflationary pressures. But if we can make it not a 5½ percent rate of growth but 2 or 3 percent or 4 percent, we achieve part of the answer that I think you are concerned about.

On the other hand, if we can expand our total GNP in this country by a healthier economy through tax reductions so that we can expand our industrial capacity, expand, as I said a moment ago, the consumer capability to participate by spending his money rather than having the Federal Government spend it, we increase the pie in size. And we reduce at the same time, as I said a moment ago, the rate of growth of Federal spending.

So, I am not going to be satisfied with what my opponent says is apparently a satisfactory division. I think it is wrong, and we ought to change it, and my programs will.

Q. Mr. President, my name is Leonard Swanson; I'm vice president of Cox Broadcasting and general manager of WIIC television, the NBC station here

in Pittsburgh. I would like to ask a question of a somewhat different nature, with the debates so fresh in our minds.

As a representative of the television media, my station contributed 6 hours of prime time as a public service for the Presidential and Vice-Presidential debates which, incidentally, as we all know, were carried by all three TV networks, really leaving the television viewer with very little alternative. Also, many think that these debates have even set a precedent that all future Presidential candidates will feel obliged to follow.

Do you really think the debates are worth all this either to you as a candidate or to the American public? And, in retrospect, would you have preferred a different format allowing more direct confrontation with Governor Carter?

THE PRESIDENT. Number one, I think the debates should be institutionalized in our Presidential campaigns. I think they could be improved, and I made a comment the other day after the—I guess it was the second debate, that they would be improved if Mr. Carter would answer the questions and I would question my answers.

But to be serious, I do feel that we now have another 4-year period, and experts in the media, experts in the academic world, experts from other areas of our society ought to sit down and maybe consult with my advisers, Mr. Carter's advisers and maybe get a thought or two from either one of us. And I think they should be a part of the political system every 4 years.

But I am confident there can be improvement in the mechanics and some of the other aspects that I think would help to educate and stimulate the American voter.

Q. Mr. President, Gene Cookson, senior vice president, C. S. McKee and Company. Many people in our country, including myself, are somewhat confused as to the exact state of unemployment in this country. Governor Carter has stressed repeatedly that the unemployment is the highest in the Nation's history, while you have stated more people are employed today than ever before. Could you clarify these seemingly contradictory statements?

THE PRESIDENT. I think we are both probably right. But I think in order to understand what appears to be a conflict, people must recognize that we have the largest work force in the history of the United States. So, when I say we have 88 million people gainfully employed, an alltime high in the United States, that is accurate because we have more potential people in our work force than we have ever had before.

And when Mr. Carter says the unemployment numerically is the highest, he is quoting a statistic, which is likewise accurate, but only because we, again,

have more people working—I mean, more people who are eligible or desire work in this country.

Now, there's one point that bothered me—and I cite this as a historical fact, not making any comment as to who was right or who was wrong, or whether there was any political blame assessed—but when Mr. Carter says that the unemployment in the early fifties was far, far lower than it is today—and it was—I think it is also very legitimate for me to say because it is historically accurate, that we had 3,500,000 young men and women in the military engaged in a military conflict and today we have 2,100,000 young men and women in the Army, Navy, Air Force, and Marines.

It is 1,400,000 fewer than we had 2 years ago. It is the smallest active duty military force since Korea, and if we had another 1,400,000 on active duty, which we don't have, we could significantly claim that our unemployment figure was quite a bit less.

But I don't think that is the way to achieve unemployment or to improve the statistics. We have enough men in the four services—men and women—to do the job to keep the peace. And I want that 1,400,000 out in the labor market trying to get a job or working at a job in our civilian economy. And we are still going to take care of the job opportunities of about 2 to 2½ million new ones every year because we are going to have an expanding economy, primarily in the private sector.

Q. Mr. President, I'm Glen Beeson, professor of economics, Duquesne University. Most economists recognize that plans such as the Humphrey-Hawkins bill, some forms of national economic planning, will necessitate wage-price controls. Would you advocate under any circumstances wage-price controls and, if so, what would be sufficient cause?

THE PRESIDENT. Early in my administration, I took a firm stand—which has not changed, which will not change—against wage and price controls, including standby wage and price controls. I don't think they work. Our neighbor to the north, Canada, has had them now for what—18 to 24 months? Their economic recovery has been slower than ours with many more dislocations than we have had as we have come out of the recession.

Some of our Western European countries to one degree or another have tried them in recent months and their recovery in each case is slower than ours, with the possible exception of West Germany. So, I strongly disapprove of wage and price controls, even on a standby basis.

Our true competitive economic system is the best way, in my judgment, to

solve our economics problems and to ensure the kind of economic prosperity that we want.

MODERATOR. Mr. President, I am afraid our time is running short. The city of Pittsburgh must get to work, and I understand you have a steel mill to visit.

On behalf of our members, guests, officers, and directors, I would like to thank you very much for attending this meeting with us this morning.

THE PRESIDENT. Thank you.

NOTE: The President spoke at 8:57 a.m. Ballroom I at the Pittsburgh Hilton Hotel. In his opening remarks, he referred to Jim Burnham, president of the

Pittsburgh Economic Club, and Mayor Peter Flaherty of Pittsburgh.

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Remarks in Chicago, Illinois. *October 26, 1976*

Thank you very much, Chuck Percy, Ron Bukema, Governor Ogilvie, Edith Green, Joe Garagiola, Senator Carl Curtis:

It is great for President Ford to be in Ford City. Thank you. Let's make all of Illinois Ford country November 2.

With this kind of enthusiasm and the wonderful welcome that we had a week ago Saturday in downstate Illinois, I can say with confidence that we are going to carry the State of Illinois November 2. Are we?

While I am here in Ford City, let me extend to all of you a very special invitation next January to come to the inauguration in Washington, D.C., of Jerry Ford and Bob Dole.

Let me say you are here because you want to know where I stand on the issues. I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength, and peace throughout the world. Not a single young American is fighting or dying on foreign soil today, and we are going to keep it that way.

After so many years in which America's defense needs were shortchanged, I proposed the two largest defense budgets in the history of the United States, and I was able to convince the Congress to stop slashing away at military spending.

After so many years of runaway inflation and runaway growth in the Federal budget, I submitted a budget to the Congress last January that cut the rate of growth in Federal spending by over half.

I have held the line on Government spending with 66 vetoes and saved you—and I emphasize “you”—the hard-pressed taxpayers more than \$9 billion.

Those vetoes saved each American family about \$200 in Federal spending, and that is progress. Because I have not been afraid to say no, to say no to excessive spending, we will submit a balanced budget by 1978 and we will have another tax reduction for the American taxpayer in the meantime.

My idea—and listen very carefully—my idea of tax reform is tax reduction—tax reduction for the shortchanged, middle-income taxpayer. Therefore, I recommended that you have your personal income tax exemption increased from \$750 to \$1,000. That is the kind of tax reform that we want.

After so many years of uncontrolled inflation, we have cut the rate of inflation in half in the past 2 years. I commit, I promise, we will do better each year in the next 4 years.

After the worst economic recession in 40 years, we have added 4 million jobs to the American economy in the past 2 years, not by creating dead-end jobs at a taxpayer's expense, but by stimulating jobs with a future in the private economy where five out of the six jobs exist anyhow.

I admit too many people are still out of work. We are not satisfied with the progress that we have made, but more Americans were on the job in 1976 than ever before in the history of this country—88 million—and that is a tremendous comeback from where we were 18 months ago.

After suffering a tragic betrayal of public trust 2 years ago, America has had its faith restored in the White House itself. My administration has been open, candid, frank, forthright, and we are going to keep it that way for the next 4 years.

In every field America is on the move. We are on the march. We made an incredible comeback in the past 2 years and we are not through yet. You can believe me when I say this Nation is sound, this Nation is secure. This Nation is on the way to a better quality of life for all Americans, and this administration has earned the trust of the American people for the next 4 years.

My record is one of progress, not platitudes; performance, not promises. We do not need a government to do everything for us or to tell us everything we can or cannot do. This is a pledge of the Ford administration.

We have a great reservoir of talent in industry throughout all 50 of our States. It is not all concentrated on the banks of the Potomac.

Jimmy Carter says we are not respected any more. This week America made a clean sweep of the Nobel Prizes for economics, chemistry, medicine, and literature. This is the first time in the history of these awards that a single country, the United States, has come home with every winner. We should be very proud. I might add, that record doesn't sound like a second-rate operation to me.

As I look around this great crowd and thank you all for coming, I am proud to be an American and I know that you are. And although we have had our problems in the past 2 years, we have come a long, long way. At home and abroad, we are putting aside old differences, we are putting old problems behind us and healing our wounds. It is a record I am proud to run on, a record the people of Illinois and concerned citizens throughout America—Democrats, Independents, and Republicans—will support on November 2.

Give me your mandate and we will reduce the growth of government.

Give me your mandate and we will ensure the integrity of the social security system; we will improve medicare so that our older citizens can enjoy the health and the happiness that they have earned—there is no reason why they should go broke just to get well.

Give me your mandate and we will create a tax structure that is fair to all, that will preserve the family home, the family business, the family farm; that will give business the tax incentives to build new plants, to modernize old ones, and to create more jobs.

Give me your mandate and I will lead this Nation on the path of peace through strength, and we will live in peace and freedom in the United States.

I find or have no fear for the future of this great country. The future for America is a friend, and as we go forward together, I promise you once more, as I promised you before, to uphold the Constitution and to do what is right as God gives me to see the right, and to do the very, very best I can for America. God helping me, I won't let you down.

Thank you very, very much.

NOTE: The President spoke at 1:14 p.m. at the Ford City Shopping Mall. In his opening remarks, he referred to Senator Charles H. Percy; Ron Bukema, Republican congressional candidate; Governor Richard B. Ogilvie of Illinois 1969–73, chairman of

the Illinois President Ford Committee; Representative Edith Green of Oregon 1955–75, cochairman of the Citizens for Ford Committee; and Joe Garagiola, NBC sports commentator.

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Remarks in Northbrook, Illinois. October 26, 1976

Thank you very, very much, Chuck, President Boe, my former colleagues in the House of Representatives, Bob McClory, Phil Crane, Sam Young, and, of course, my dear friend and wonderful supporter, your former fine Governor, Governor Ogilvie:

It is just nice to be out here with the Allstate family, and I thank you for the

very, very warm welcome. This stop this afternoon is another milestone in a great day. We started in Pittsburgh this morning, going to the Jones & Laughlin field steel plant. We first made a speech before the Economic Club of Pittsburgh, and then we flew to the Chicago area and had a wonderful greeting out at Ford City. [*Laughter*]

I was delighted—and now to come to Allstate, it really is tremendous. But let me say one thing, that if you have time tonight, I would hope that you would take 30 minutes and watch a program we are putting on Channel 7. The master of ceremonies is going to be somebody you have heard of, particularly if you are interested in sports. Joe Garagiola is going to be the master of ceremonies. Joe is one of the individuals who volunteered to come out and be an active supporter and campaigner with me; in addition, a former colleague of ours, a good Democrat from the State of Oregon, former Congresswoman Edith Green, and I think we are going to have Chuck and maybe some others on the program. It will give you, I think, a new flavor.

I should have added—and I apologize—I think Betty is going to be on it, too. [*Laughter*] But I keep going around the country trying to get my votes up to her polls.

But it is wonderful to be here. And let me take just a few minutes to outline for you some points that I think are worthy of your attention and, hopefully, will be persuasive to you when you make that very vital decision a week from today. It is just 7 days from now.

Naturally, I can recall very, very vividly August 9, 1974. It was the day that I took the oath of office and walked from the East Room of the White House to the Oval Office. It was a period of great trouble in America. We had gone through the trauma of Vietnam. There was anger, bitterness, divisiveness. We were on the brink of the worst recession in 40 years, and we had had inflation of 12 percent or more. There was still the problem in Vietnam, with some 50,000 Americans being withdrawn and the circumstances that brought back bad memories. And then, of course, there was the lack of trust and confidence in the White House itself.

It was not a very opportune time for a new person to become President of the United States. But, it was my decision that we had to meet first things first, and one of those was to restore, without any hesitation or qualification, the restoration of trust and confidence in the White House itself.

I think my being open, by being candid, by being straightforward, the American people—whether they agree or disagree with whatever policies—

know that their President is a person that they can trust and a person who will, in his own way, seek to do what is right for America above all else.

Then we had the very difficult problem of how to meet the challenge of the worst recession in 40 years and, at the same time, make a tremendous effort to reduce the rate of inflation which, as I said, was 12 percent or more.

But by being firm in the restraint on Federal spending, by not succumbing to quick fixes—and many of them emanated from the Congress—we were able to gradually and, I think, positively reduce the rate of inflation, so that as of today the annual rate of inflation is somewhere between 5½ percent and 6 percent.

Now, that is still too high, but I can assure you the policies this country is following today are policies that will keep the pressure on, and we will win that battle and get the rate of inflation down so that we can have a healthy, sustained economy, and the kind of prosperity that all of us know is possible in this great, great country.

Early in 1975, I am sure some of you can recall—I can—unemployment began to soar and employment started to plummet. The net result was we had a real trauma in America, the worst recession since the depression days of the 1930's, and a few of us here can remember the hardships that many, many families went through in those days.

But instead of losing our cool and trying to do some things that might have been appealing on the surface but fundamentally wrong in an economic sense, we did the things that were compassionate to help those that were tragically unemployed. But at the same time, we initiated programs and restored the confidence of the American people in their economic system. And the net result was we have come out of this recession.

You may have heard me say that we have regained 4 million jobs in the last 18 months. That is true. You have heard me say perhaps that we have 88 million people working today—an alltime high—and that is true.

You may have heard Mr. Carter say the other day in the debate that we had more people unemployed than any day since the Depression of the 1930's. That is true.

But there is one point I think we have to make in all honesty; it is historically accurate. As he alleged, or said, in the 1950's, the early 1950's, we had a low unemployment rate. That is accurate. But let me point out, at that time we had 3,500,000 young men and women in the Army, Navy, Air Force, and Marines, and a good share of them were overseas. At the present time, we have 2,100,000

young men and women in the Army, Navy, Air Force, and Marines. That is 1,400,000 less than we had 18 to 20 months ago.

I think we can whip the problem of unemployment. We can have a healthy economy. We can still have an all-volunteer military force, and we don't have to be engaged in a military conflict. The way to solve unemployment is by stimulating the free enterprise system with tax incentives, tax reduction. We don't have to put young men in uniform to solve the problem of unemployment in America.

As I said, we have an all-volunteer Army, Navy, Air Force, and Marines, and they are good, they are career people. And we are strong because we have the right weapons systems, good leadership, outstanding young people, and they are voluntary recruits. And I can say with great pride that the United States is at peace. Not a single young American is fighting or dying on any foreign battlefield tonight, and they won't.

But now that we have turned things around—and I happen to think the American people in this great country have made incredible progress in the last 2 years—but now we have got new opportunities.

Here is where I think we ought to focus in the next 2 years, the next 4 years. We ought to focus on trying to improve the quality of life for our 215 million Americans. What does that mean? It means first that we want an economic environment so that people who want to work will have a job. I am not going to argue about statistics. The only criteria by which I judge whether we are doing a good job or not is that the time must come where every young American who wants to work will have a job in America.

One of the things that makes America great is the capability and the fact that so many Americans own their own home. I saw some figures just the other day that some 60 to 65 percent of the people in America own their own home or are in the process of buying it. But let me say, having said that, I am not going to take away the deductibility of interest payments on your income tax returns.

But how do we stimulate the capability, particularly for the young, to get a new home? Just the other day the Secretary of Housing and Urban Development, Carla Hills, announced a 50-percent reduction in down payments. That is vital for the young people who are trying to make their first investment.

Many of the loaning institutions are beginning to undertake the kind of mortgages, so that in the early days of a mortgage the monthly payments are less when the earning capacity is smaller, and the monthly payments increase as one's earning capacity increases. I think that is an imaginative approach.

But the best thing we can do for those that want to buy a house is to see to

it that we win the battle against inflation, and we can do that by cutting the rate of growth of Federal spending, as we tried to.

In January, I submitted a budget to the Congress where instead of having an 11 percent rate of growth in Federal spending, as we had had for the last 10 years, we tried to cut it in half to 5½ percent. We were quite successful. We should have been more so.

I vetoed 66 bills in my best effort to put a little pressure on that big-spending Congress up there. I might say parenthetically, that saved the taxpayers about \$9 billion or, if you average it out, about \$200 per family in the United States.

But the main point is, jobs, housing, health care—I don't believe you have to federalize health care in the United States to maintain or to improve the health care of the American people in this society in which we live.

The problem of crime—when I became President in 1974, the rate of crime in America was at 18 percent—unbelievable. In 1975, it was cut back 50 percent to 9 percent. That is still too high. But the encouraging news is that in the first 6 months of 1976, the rate of increase is 3 percent, and we have had significant reduction in some of the more serious areas of crime.

Let me tell you one way in which we have tried to solve the problem. All the experts tell us there is a group in our society—hardened criminals, professional criminals—they impose upon all of us law-abiding people a very high percentage of the crime committed in America. And so, we have in the last 12 months had a career criminal program. It has resulted in a significant number of hardened career criminals being apprehended, convicted—95 percent of them have gone to jail, and that is where they belong, and that is where they better stay.

One further comment that I think is something all of us ought to really think about. Statements have been made that America is not respected anymore, America's role in the world is not what it ought to be, that our leadership is less than it should be. Let me take one or two examples.

Do you realize that in the last 2 weeks all seven Nobel Prizes for physics, chemistry, economics, et cetera—every one of them went to an American for the first time in the history of the Nobel Prizes being awarded. I think that is a pretty good record.

And let me add, in the opportunities that I have had to negotiate with adversaries and to work with allies, the allies are honored to be associated with us, and adversaries respect us. They respect the 215 million Americans. They respect the kind of government, the kind of freedom that we have in America, and they know that the American people, when the chips are down, are united in the feeling that we have for the blessings of America. They know that America is

strong militarily, economically, industrially, but most important, morally and spiritually.

So, whether it is allies wanting to be associated with us or adversaries who respect us and will not challenge us, every American in this country can be proud of our history and can be proud of the things that we are going to do to make that vision of our forefathers a reality in the third century of America's great history.

Thank you, very much.

NOTE: The President spoke at 2:45 p.m. at the corporate headquarters of the Allstate Insurance Company. In his opening remarks, he referred to Senator Charles H. Percy, Arch Boe, chairman of the

board of Allstate Insurance Corporation, and Governor Richard B. Ogilvie of Illinois 1969-73, chairman of the Illinois President Ford Committee.

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Remarks in Schaumburg, Illinois. *October 26, 1976*

Thank you very, very much, Jim Thompson, the next Governor of the great State of Illinois:

It is great to be here in this wonderful plaza and to have the opportunity of being on the platform not only with Jim Thompson but my good friend and your firstclass, outstanding United States Senator, Chuck Percy.

But let me add, we have here two former colleagues of mine in the House of Representatives who I hope and trust that you will strongly support, Phil Crane and Sam Young.

And let me add one other point: Jim Thompson can't do the job alone in running the State of Illinois the way you want it run. He has an outstanding State ticket, and I hope you will pull that lever and go right down the line for that State ticket to help Jim Thompson do the job.

I can't imagine a more wonderful way to end a beautiful day in the State of Illinois than to come to this plaza and see so many wonderful people who are going to support Jerry Ford for President. Let me extend to every one of you a special invitation to come to Washington, D.C., next January 20 to participate in the inauguration of Jerry Ford and Bob Dole as President and Vice President of the United States.

As we come to the final countdown in this great election that will determine the direction of this country for the next 4 years and will determine the direction perhaps of the next century in America, I want each and every one of you to know where I stand. I stand on your side for limited government, for fiscal

responsibility, for rising prosperity, for lower taxes, for military strength, for peace in the world. And may I say, aren't we proud that not a single young American is fighting or dying on foreign soil tonight. As your President, we will keep it that way for the next 4 years.

After so many years of runaway growth in Federal spending, I submitted a budget last January in which I cut the rate of growth in Federal spending by over half. I have held the line on Government spending with 66 vetoes and saved you, the hard-pressed American taxpayers, more than \$9 billion. Those 66 vetoes saved each American family \$200 in Federal spending, and that is progress by any standard. Because I have not been afraid to say no to excessive spending, we will submit a balanced budget for the Federal Government in 1978, and we will have another tax reduction for the American taxpayer in the meantime.

My idea of tax reform is tax reduction. I proposed raising your personal income exemption from \$750 to \$1,000. What does that mean to a family of five—three children, a husband, and a wife? Let's bring it right down to practicality. That means if Congress had done its job, next April when the head of the family would have made out that return, that taxpayer could have taken \$1,250 more in personal exemptions. Congress didn't do it. We are going to get them next year. If they don't do it next year, we will go after them the next year, and if they don't do it then, we will go after them in the next election in 1978.

After so many years of uncontrolled inflation, we have cut the rate of inflation in half in the past 2 years and we will do even better in the next 2 years, in the next 4 years.

After the worst economic recession in 40 years, we have added 4 million jobs to the American economy in the last 18 months not by creating dead-end jobs at the taxpayer's expense, but by stimulating jobs with a future in the private economy where five out of the six jobs exist today.

Too many people are still out of work. We are not satisfied with the progress that we have made. But more Americans were working in 1976 than ever before in the history of this great country—nearly 88 million people gainfully employed, and we should be proud of it. That is a tremendous improvement over where we were, and we are going to do better in the future.

After suffering a tragic betrayal of public trust 2 years ago, America has had its faith restored in the White House itself. My administration has been open, candid, forthright, straightforward, and we are going to keep it that way in the next 4 years.

In every field, America is on the move, on the march. We have made an incred-

ible comeback in the past 2 years, and we are not through yet. You can believe me when I say this Nation is sound, this Nation is secure, this Nation is on the way to a better quality of life for all Americans, and this administration has earned the trust of the American people for the next 4 years, and we won't let you down.

My record is one of progress, not platitudes; performance, not promises. Listen to this very carefully. We do not need government to do everything for us or to tell us everything we can or cannot do. We have a great reservoir of talent and industry in this country, and it is not all concentrated on the banks of the Potomac. It is right here in Illinois, in Michigan, Indiana, Wisconsin, and the other 45 or 46 States.

Jimmy Carter says that the United States of America is not respected anymore. This week America made a clean sweep of Nobel peace prizes for economics, chemistry, physics, medicine, and literature. This is the first time in the history of Nobel prizes that a single country has been the home of all of these winners. That doesn't sound like a second-rate operation to me. Does it to you?

I am proud to be a citizen of this great country and I kind of gather you are, too. We have our problems, but in the past 2 years, we have come a long, long way. At home and abroad we are putting our old differences aside. We are putting our old problems behind us and healing our wounds. It is a record that I am proud to run on, a record the people of Illinois and concerned citizens throughout America—Democrats, Independents, Republicans—will support on November 2, and we are going to win.

Give me your mandate and we will reduce the growth of government still more.

Give me your mandate, and we will ensure the integrity of the social security system. We will improve Medicare so that our older citizens can enjoy the health and the happiness that they have so richly earned. There is no reason why they should have to go broke just to get well.

Give me your mandate and we will create a tax structure that is fair to all, that will preserve the family home, the family farm, the family business; that will give business tax incentives to build new plants, to modernize old ones, and to create more jobs.

Give me your mandate and I will lead this Nation with pride on the path of peace through strength, and we will live in peace and freedom in the United States of America.

I have no fear for the future for America. The future is our friend, and as we go forward together, I promise you once more—as I promised you before—to uphold the Constitution, to do what is right as God gives me to see the right, and

to do the very best I can for America. God helping me, I will not let you down, and let me conclude by saying I love you.

Thank you. Good night.

NOTE: The President spoke at 8:11 p.m. on the Grand Concourse of the Woodfield Shopping Mall.

971

Radio Address on America's Senior Citizens. *October 27, 1976*

I WANT to talk to you today about some of the most remarkable people in this country. These people brought us from the horse and buggy era to the space age, from widespread illiteracy to the finest educational system in the world, from the threat of many crippling and killing diseases to the cure for those diseases, from the early days of the telegraph to instant global communication, from a largely rural Nation to the greatest industrial power in the history of mankind.

These remarkable people, who have done so much for our country, are now America's senior citizens. I believe that advancing years should not mean retreating from an active, enjoyable, productive life—a life of security and dignity. Older Americans have some special problems which concern us all.

First, let's talk about inflation. Many of our older citizens live on retirement income. Inflation is the deadliest enemy of those fixed incomes. When inflation goes up, our retired workers suffer the most. That is one important reason I am absolutely determined to win the fight against inflation. That is why I have vetoed 66 extravagant bills sent to the Oval Office by a reckless Congress, and why I am proud to say we cut inflation from 12 percent to less than 5 percent in the last 2 years.

Second, older Americans are concerned about the integrity of the social security system. Social security benefits are funds that have been earned by retired workers. The Federal Government is legally and morally bound to make sure that the fund is secure. The Social Security Fund is now paying out more than it takes in. As long as that condition exists, the integrity of social security is endangered. We must take firm steps to erase this danger, steps which I proposed last January but which Congress has refused to follow. With your help and your support, we can make the next Congress see the light.

Third, older Americans are concerned about rising medical and hospital costs. I have proposed a health insurance program to cover all but the first \$750 of the cost of treatment for a catastrophic or prolonged illness. There is no

reason a lifetime of savings should be lost to pay medical bills. There is no reason older Americans should have to go broke just to get well.

Fourth, older Americans are concerned about crime. I believe greater emphasis should be placed on protecting the potential victim of crime. The career criminal program, which I initiated in several key cities last year, identifies habitual criminals, sets up special prosecution procedures, and in 95 percent of the cases, results in the conviction of those brought to trial with prison sentences that average more than 20 years.

Finally, older Americans are concerned with the moral direction of our country. They believe, as I do, that we are only as strong as the moral foundations on which we stand. They believe, as I do, that private morality and public service can—and must—go hand in hand. Older Americans have given us everything we have. They have made this country what it is today. I invite them, and all Americans, to join me on November 2, as we begin a new generation of freedom for America.

NOTE: The President's remarks were recorded for broadcast over the Mutual Radio Network.

The text of the address was released at Arlington Heights, Ill.

972

Remarks and a Question-and-Answer Session With Reporters in Atlantic City, New Jersey. *October 27, 1976*

IT IS great to be in sunny New Jersey. We left the snowy banks of Illinois this morning, so it is nice to be here.

It is always a great pleasure for somebody in politics to be able to correct the record. I understand one of the members of the opposition ticket was in New Jersey, maybe in this area, a few days ago, and made some inaccurate statements about the National Aviation Facilities Experimental Center. I know a little bit about that.

I was here in March of 1974, and at that time, Senator Case and the then Congressman Charlie Sandman had briefed me very fully about the deep concern of the people of this area for the possibility of a movement, or closing of this famous facility in this part of the State.

I went back to Washington, looked into it, and we started the action which culminated in my decision, as President, to keep the facility here. And it had been contemplated, or at least talked about, being transferred from here to Oklahoma. It is here because I made the decision to keep it here. And I am

glad to report that as a result of Secretary of Transportation Coleman's analysis, he has recommended, and the Ford administration has decided, to put \$50 million into this facility here in this area.

So, any allegations by anybody—for political benefit—to the contrary is just inaccurate. The facts are the Ford administration is keeping it here, a \$50 million decision which will lead to about 1,800 construction jobs and it will also lead to about 2,000 more jobs in the facility itself as it expands. So, I want that record clear and very well understood. The Ford administration did it.

Now I would be glad to answer a few questions. May I first get some questions from the local press? Any questions?

REPORTER. Mr. President, Jimmy Carter says that your political organization is slandering he and his family by publishing a cartoon in the Heartland PFC publication in the Midwest, showing him holding a Bible in one hand and a Playboy magazine in the other. Is that the kind of advertising you would sanction?

THE PRESIDENT. It is my understanding that everything in that pamphlet was in the public domain. It was nothing that was generated by the President Ford Committee. It was material that was already published by other sources in the public domain.

Q. Including the cartoon?

THE PRESIDENT. Yes, it is. That is true.

Q. Mr. President, in a town that is a week away from a statewide referendum on gambling, just for Atlantic City—this is strictly for Atlantic City—do you have anything to say on that?

THE PRESIDENT. That is a decision, of course, for the voters of this area or the State of New Jersey. Although I have reservations about legalized gambling, I would not want to interject myself into a strictly local issue.

Q. Mr. President, how would you assess your chances now, sir? Do you think you have it locked up?

THE PRESIDENT. I think we have lots of momentum. The traveling press that have seen the wonderful crowds we have had in California, in Oregon, in Washington, culminating in an unbelievable, fantastic crowd in Chicago last night of about 40,000 to 50,000, can't help but be impressed with the fact that we have the momentum.

It reminds me just a bit of the kind of momentum that one of my idols, a Democrat, Harry Truman, experienced in the final days of his campaign. We have the momentum going, the people are interested, and I think we are going to surprise some folks.

Q. Mr. President, why is it that you only made a strong statement about the Nixon administration in response to a question—you never made that on your own—about the imperial White House?

THE PRESIDENT. Well, I was asked last night the difference between the Ford administration and the Nixon administration, and I made the very accurate comment that the Ford administration is not an imperial Presidency. We don't have the ceremony and the pomp and the dictatorial attitude. As a matter of fact, I have significantly reduced the power and authority of the White House staff, and we have turned decisionmaking over to responsible people like the Secretary of Transportation, Bill Coleman, to the Attorney General, to the Secretary of HUD.

The White House performs the function that was set up in the Constitution. And we believe that an imperial Presidency is not in conformity with my own personal ideas, nor is it in conformity with what I think our Founding Fathers believed.

Q. Mr. President, in your last comment on the question of the Patman investigation,¹ you said that you had been cleared by the committees and the Attorney General. Now, it turns out that the Attorney General made the most cursory examination—he didn't even talk to Mr. Timmons.² Can you comment on that?

THE PRESIDENT. I have full faith in the total integrity of the Attorney General, Mr. Edward Levi, and his decision, I think, fully and completely ends that matter.

Q. Do you think the case is closed on that, Mr. President?

THE PRESIDENT. I have full confidence in the Attorney General. He is a man of great integrity. I think he has done a good job, and I am sure the decision he made is the right one.

Q. Mr. President, as it stands right now, Eugene McCarthy will be on the New York State ballot next Tuesday. If this decision is made final, how will this affect the fight for New York State's 41 electoral votes?

THE PRESIDENT. I am really not the best judge of that. Eugene McCarthy is a very fine person. I have known him ever since both he and I took the oath of office on January 3, 1949. We came to the Congress simultaneously. Gene McCarthy has made a very excellent record in the House of Representatives and in the Senate. He ought to be on the ballot under State law where it is permitted,

¹ U.S. Representative Wright Patman of Texas was Chairman of the House Banking, Currency, and Housing Committee, which investigated the Watergate break-in.

² William E. Timmons, Assistant to the President for Legislative Affairs 1973-74.

and I think the people of New York or elsewhere ought to have a chance to vote for him if they feel it is the right decision.

Thank you all very much.

NOTE: The President spoke at 11:18 a.m. at the National Aviation Facilities Experimental Center.

As printed above, this item follows the text of the White House press release.

973

Remarks in Atlantic City, New Jersey. *October 27, 1976*

Fritz Haneman, Senator Case, Mayor Lazarow:

May I say I am deeply grateful to Dorothy and her warm welcome. She comes from Minnesota; that is Gopher country. I come from Michigan, and that is Wolverine country. And when a Gopher and a Wolverine get together, boy, you can't beat 'em.

But I do want to recognize Charlie Sandman, Tom Kane, Web Todd. And I have two very close and very dear friends who have been traveling with me for the last several days, people you know, people you respect, and people that I admire, respect, and appreciate. First, I want to introduce to you Joe Garagiola.

I was going to introduce former Democratic Congresswoman Edith Green, who was, I think, one of the outstanding Members of the House of Representatives for 19 years. While we were in the Congress together, she was on the Democratic side and I was on the Republican side. But I understand that somewhere between the plane and here, Edith didn't quite make it. I understand that she is not feeling well. But she has been campaigning with us and, believe me, to have that kind of superb support from a really outstanding Member of the Congress on the Democratic side, I am deeply grateful and very appreciative.

Now let me say it is great to be back in New Jersey. I was here a week or 10 days ago. When I was here several weeks ago, I saw a sign that said "Jersey loves Jerry." It has gotten bigger since I was here before—[*laughter*]*—*but let me say that Jerry loves Jersey, and I mean it from the bottom of my heart.

It seems that the enthusiasm in New Jersey has gotten even greater than it was when I was here a few weeks ago. But let me give you all a special invitation, because I know that we are going to carry New Jersey, we are going to win the election. But I invite each and every one of you to come to Washington on January 20, 1977, to be there for the inauguration of Jerry Ford and Bob Dole.

As we come to the final days, really, of this great campaign, I want to reiterate where I stand. I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength that will keep

the peace in the world. And may I say with great emphasis, not a single young American is fighting or dying on foreign soil today, and we are proud of it.

After so many years where the defense of this country was shortchanged by the Congress, I proposed the two largest defense appropriations in the history of the United States. And I convinced the Congress in this last year that it was good policy, that it was necessary, so that when the United States meets any challenge in negotiation or otherwise, we have the capability, we have the wherewithal so that the United States is number one. It is today, and we are going to keep it that way.

After so many years of runaway inflation, let me say that we have made significant progress. We have reduced the rate of inflation from over 12 percent to less than 6 percent. And I pledge to you in the next 4 years, we are going to do better and we are really going to win the battle against inflation in this government.

After so many years of runaway growth in Federal spending, I submitted a budget last January that cut the rate of growth in Federal spending by over 50 percent. I held the line on Government spending with 66 vetoes and saved you, the hard-pressed taxpayers of this country, about \$9 billion-plus, which means for each family, a \$200 saving in Federal spending. And that is progress.

Because I haven't been afraid to say no to those who want to spend and spend, it will be possible for me to submit in 1978 a balanced Federal budget. And we will have another tax reduction at the same time.

I think you in the great State of New Jersey know how risky it is when a candidate says one thing on the campaign trail and then does something else when he gets in public office in reference to taxes. You learned what is like when a candidate faces the voters with a promise and then turns his back on them after the election and after the inauguration. You will learn with every dollar that you pay for your State income tax here in the State of New Jersey.

There's a good alternative to that kind of political acrobatics. You know where I stand. I am for the little taxpayer and I am against the big tax spender.

My idea of tax reform is tax reduction. I proposed last year, an increase in the personal exemption from \$750 to \$1,000. What does that mean for a family of five—three children, husband, and wife? If Congress had had the wisdom to go along with it, you, as taxpayers next April, would have been able to sit down when you make out that return, and the family of five would have been able to have a \$1,250 increase in your personal exemption.

Now, Congress wasn't smart enough to do anything about it. But let me tell you, I am going to submit that to the Congress next year. And if they don't do it

next year, we will go back at them again. And if they don't do it in 1978, we will go to the voters of America, and we will beat those people who won't give you that kind of a tax reduction. The middle-income taxpayer in this country, for too long a time, has been shortchanged, and we are going to change that in the Congress, beginning in January of 1977.

Now, let me say, we have faced the worst recession in the last 40 years in the last 18 months. We have had unemployment that was far too high. But, at the same time let me say on the affirmative side we have created 4 million more jobs and we have 88 million American people working today—an alltime high—and we have achieved this not by dead-end taxpayer-paid jobs, but by jobs primarily in the private sector where five out of the six jobs are today. And as we move ahead in the next few months under the Ford administration, we are going to have more jobs. We are going to have more jobs in the private sector, because we are going to stimulate the economy with tax reductions for you and for business. And that is the way we are going to make America prosperous, the way you want it.

Two years ago, the American people suffered a tragic betrayal of public trust. America, I think we can say, with full confidence, has had its faith restored in the White House. My administration has been open, candid, forthright, speaking right straight from the shoulder, and I promise you, I pledge to you, we are going to keep it that way in the next 4 years.

In every field, America is on the move, on the march. This Nation is sound, this Nation is secure, this Nation has an opportunity for a better quality of life. And this administration has earned the trust of the American people for the next 4 years. I can say with a clear conscience, my record is one of promise—progress, not platitudes; performance, not promises.

Yes, we have had our problems, but in the last 2 years we have come a long, long way. At home as well as abroad we are putting our old differences aside, we are putting our old problems behind us, healing our wounds, and I am proud to be a citizen of this great country. And I look around this wonderful audience, and I think every one of you are proud to be an American right now.

So, as we come to the final countdown, give me your mandate and we will reduce the rate of growth of the Federal Government.

Give me your mandate and we will ensure the integrity of our social security system. We will improve Medicare so that our older citizens can enjoy the health and the happiness that they have so richly earned. There is no reason why they should have to go broke just to get well, and they won't under the Ford administration.

Give me your mandate and we will create a tax structure that is fair to all, that will preserve the family home, the family business, the family farm; that will give business the tax incentives to build new plants, to modernize, to create more jobs for America.

Give me your mandate on November 2 and we will lead this country on the paths of peace through strength, and we will live in peace and freedom in the United States of America in the first 4 years of our third century.

I have no fear for the future of the United States. For America the future is a friend. And as we go forward together, I promise you once more, as I promised you before, to uphold the Constitution, to do what is right as God gives me the right to see the right, and to do the very best that I can for America. God helping me, I won't let you down.

Thank you very, very much.

NOTE: The President spoke at 12 noon on the Boardwalk in front of the Haddon Hall Hotel. In his remarks, he referred to Howard F. Haneman, chairman of the Atlantic County Republican Party, Senator Clifford P. Case, Mayor Joseph Lazarow of Atlantic City, Dorothy Benham, Miss America, Representative Charles W. Sandman, Thomas H.

Kane, New Jersey campaign manager for President Ford, Webster B. Todd, Jr., chairman of the New Jersey Republican State Committee, and Joe Garagiola, NBC sports commentator.

As printed above, this item follows the text of the White House press release.

974

Remarks at the State Meeting of the New Jersey School Boards Association in Atlantic City. *October 27, 1976*

Mr. Schwartz, Senator Cliff Case, distinguished members and guests of the New Jersey School Board Association:

First, let me express my deep gratitude and appreciation for Cliff Case, a long and close friend of mine, for joining me here on this occasion. I had hoped to bring a longstanding friend of education with me this morning. She was on the plane, but didn't feel—we have been working her pretty hard—that she could get here. But I am sure many of you know former Congresswoman Edith Green of Oregon. She wanted me to express to all of you her best wishes to you and to the educational system in this great State of New Jersey.

It is a great privilege and pleasure to join you, the largest school board association in the whole United States, as you consider some of the very serious challenges that face you in your responsibilities. Our Nation has, as I understand it, about 105,000 school board members, the largest group of elected officials in this whole country.

You are, because of your responsibilities, a tremendous, creative force in our

society, and I congratulate you. You serve without pay, but you carry tremendous responsibilities for the betterment of America. I think you do a great job. Congratulations.

You and all the school board members represent really the essence of democracy. For young Americans, you represent the first contact that they have with formal government. School board members, elected or chosen under the system in each community responsible for the education of young people within that community, are fundamental and unique to our country's system of education. The local control that you represent is not only an American tradition, it makes awfully good sense.

Educational problems, as well as educational priorities, are different not only between States but within individual States. Firsthand experience gives you the special sensitivity to understand the concerns of the people that you represent and to respond to them in an affirmative way.

You may remember how I dealt with a recent Federal ruling that would have prohibited father and son, mother and daughter school events. Let me assure you, I will stay on guard against such unwarranted Federal intrusion into community affairs. I am a firm believer—and have been all of my political life—in local control of community schools. The course of American education must be chartered in our Nation's communities, not in Washington, D.C.

In the past decade, America has responded to the problems of education with a wide variety of Federal programs designed to meet special and specific needs through assistance to State and local school agencies. Each new program was aimed at educational problems of particular segments of our population. As a result, the proliferation of narrow, categorical programs has caused confusion, duplication, as well as waste. Local citizens and administrators are buried under an avalanche of forms, applications, and reports, generated by no less than 110 separate and frequently overlapping Federal aid to education programs.

I think it is unbelievable—and I certainly understand those hard-working administrators—but it must seem to them as if the explosion of knowledge is only exceeded by the explosion of paperwork. [*Laughter*]

As President, the first piece of major legislation that I signed, shortly over 2 years ago, was the Omnibus Education Act. It improved the distribution of Federal education funds. It unclogged the administration of Federal education programs.

Earlier this month, I was very pleased to sign the Education Amendments of 1976. These amendments will make it possible for State and local school

officials to participate more actively in the planning of federally supported education programs, especially in the field of vocational education.

These have been moves in the right direction. But in a major proposal I sent to the Congress in March of 1976, I urged the further consolidation of Federal education programs in the interest of service to local schools, effective administration, as well as economy. Under this proposal—and it was encouraging that most State school administrators with whom I talked personally strongly favored it, and many local school officials with whom I met and discussed it with personally favored it—it would have consolidated 24 categorical grants into a single block grant.

The States, the communities—not some well-intentioned but not locally oriented bureaucrat in Washington—would decide how this money would best help their schools. That is what we really want—the money to go to your school districts directly with a minimum of redtape as far as Washington, D.C., is concerned.

This proposal, which I have tried to describe in very general terms, recognizes and enhances the important role of school board members like yourself. Within certain, very broad guidelines, each State would establish its own plan for spending Federal education funds. It would be required to take your views into account in establishing the structures and the procedures for drawing up that plan. Furthermore, each State plan for spending Federal funds would have to provide that at least 75 percent of the funds supplied are passed through to local education agencies.

Since I made this block grant proposal, some positive suggestions have come forward from the working people in the educational system of this country that I think will improve it. And I firmly suggest to you that in January of this year, we will submit it again with those improvements, and I hope the Congress responds.

But whatever the final form—and I am sure with the reaction from the educational organizations and educational leaders—I am certain that it will be a great improvement in the delivery of Federal aid to education and to community control of community schools.

So, I urge the kind of cooperation that I know I can get, the Congress can get, so that we can all work together, because each and every one of us is totally dedicated to a better and better educational opportunity for all of our children.

In spite of my conviction that Federal spending must be held in check—and I hold that very deeply—I have, because of my strong personal dedication to

American schools, urged that Federal aid to education actually be increased. My block grant program, which I described just a moment ago, did call for increased spending in each of the 3 fiscal years after its enactment.

But let me point out another area of deep mutual concern. At Ohio State University 2 years ago—and every time somebody from Michigan mentions Ohio State we have to be a little careful—[*laughter*]*—*he [I] urged that transition from the world of education to the world of work, a crucial juncture in the life of every single individual, and [had] to be explored. I said at that time, at a commencement address at Columbus, that the Nation needs new ways to bring the world of work and the world of institutions of education together. The United States Office of Education and the Departments of Commerce and Labor, private industry and private business, have responded to my challenge in a very encouraging way.

In the past 2 years, scores of programs have been developed to help high school students prepare for very worthwhile occupations while completing their education. These developments are new, they are existing, they are inviting, and they are a fine, fine example of how government as a helpful servant, rather than a meddling master in the area of education, can be constructive.

This is the sort of cooperative new effort that is needed across the whole education spectrum. School board members, parents, teachers, religious leaders, government officials, businessmen—we all have to work together to meet the educational challenges of America's third century.

We had a wonderful celebration on July 4, and a new spirit seemed to be generated or exposed in America on that great day. I hope and trust, and I firmly believe, that that spirit will continue in our third century to give to all of us and those that follow, not only the vision of what we want—freedom, liberty, responsibility—but will give us the opportunity to make that dream a reality.

As I close, I pledge my cooperation and my continuing effort on behalf of American education. With your support, I will keep working to untie the red-tape that binds you, to continue our American tradition of local education control, to see that Americans are well-educated and that America is well-prepared for this exciting future that I foresee.

It has been a pleasure and a very high honor to have the opportunity of joining you this morning, and I thank you very, very much.

NOTE: The President spoke at 12:28 p.m. at the Haddon Hall Hotel. In his opening remarks, he referred to Lawrence J. Schwartz, president of the

New Jersey School Boards Association.

As printed above, this item follows the text of the White House press release.

975

**Remarks at Villanova University in Villanova, Pennsylvania.
October 27, 1976**

Jim Nolan, Father Driscoll, members of the Pennsylvania congressional delegation, students, faculty and guests:

May I express my deep appreciation for the opportunity to accept the invitation of the political union and particularly you, Jim. I understand that this organization has a background as a political debating society. Well, following the three debates I had with my opponent, I was asked on several occasions, would I make suggestions for the future or comments on the past. I said, "Well, I hope they do become institutionalized in our political future," and then I said—as I reflected on the debates—that I would make two observations. One, I hope that Jimmy Carter would answer his questions—[*laughter*]¹—but I also said I thought I ought to question my answers. [*Laughter*]

But as you have noticed, I have three very special guests here today that are close to me and have been very helpful. One you have met, our son Jack. Then I also have another special guest who has been working with me and traveling to help the cause, and I think it is especially appropriate in an educational institution with the great reputation that you have here at Villanova. One of the outstanding Members of the House or the Senate for 19 years was a Democratic Member of the Congress, Representative Edith Green. Edith Green, I can tell you, was a formidable opponent and a welcome ally. We worked together on many, many programs. We seemed to understand and try to do things in conjunction on educational matters. But Edith Green of the great State of Oregon, who retired 2 years ago, has been helping me. I just want you to know Edith Green is with me and helping in my ideas and recommendations concerning education. Edith, will you please stand up.

But there is another guest that has been going with us. You recognized him when he walked in. But let me tell you, when I was very young, as a matter of fact, it was part of my ambition to be a baseball player. Obviously, I didn't succeed. [*Laughter*] But then after I came back from World War II, I was trying to practice a little law, and I was doing a little high school football broadcasting. Obviously, I didn't succeed. [*Laughter*]

But we have here Joe Garagiola.¹ Maybe I shouldn't say this about Joe's career, but I think Joe feels it is good to be on a winning team for a change. [*Laughter*]

¹ NBC sports commentator.

It is great to be here at Villanova, and I am deeply appreciative of the warm welcome. As we come into the home stretch of this great campaign, I can't think of a better place to be than at this great university. I can't think of a better place to be at this great university that has been the alma mater of so many fast runners. As a matter of fact, the only thing that would make me worry about running against Jimmy Carter would be if he had Jumbo Elliott² as his coach. [*Laughter*] But let me tell you something else. This one long-distance run is one race I am going to win.

Villanova University is truly an outstanding example of those privately supported institutions which have contributed so much to America's greatness and to our country's progress. You share in America's distinguished tradition of private higher education, a tradition that is a century older than our country itself.

I am strongly opposed to a suggestion made by my opponent in this campaign that the Government tax all church-supported properties other than the church building itself. This would have serious implications, as I have analyzed the the problem, not only for church-supported schools but for church-supported hospitals, orphanages, and retirement homes.

As far as our Government is concerned, those activities are as much a part of the church's mission as the church's place of worship. There is a constitutional separation of church and state in this country, and I will not see that separation sacrificed for a few more dollars in Federal tax revenues.

Americans must never forget that privately endowed colleges and universities like Villanova serve important public functions. Today, as in the past, they help prepare our national leadership in arts, the sciences, law, medicine, religion, and in business, as well as in government.

The strength, the vitality of America's privately endowed colleges and universities are essential to our educational system in America. If these private institutions should close, shifting the burden from private donors to public taxpayers, the tax load would be infinitely heavier. We must not let this happen, and as far as I am concerned, we will not.

Let me repeat with emphasis what I have said many, many times before. I approve, support, and encourage the principle of volunteer giving to help finance higher education, and I will continue to strongly oppose any legislative proposals which discourage such support, including those which would limit charitable tax deductions, disallow the full value of appreciated assets, or exclude the State tax deductions.

² Chalmers (Jumbo) Elliott, head coach of the University of Michigan football team 1959-68.

We must also find, and find as quickly and effectively as possible, ways through the tax system of actually easing the burden of families whose sons and daughters attend nonpublic schools and to help families cope with the expenses of a college education.

Although I am a product of public education through the University of Michigan, I was the beneficiary of a law school education at Yale Law School.

But I believe very deeply that the competition of nonpublic schools to the public school system is helpful in upgrading and maintaining the level of the public schools. Competition in education is just as important as competition on the athletic field, in business, or elsewhere, and we must maintain our non-public school systems throughout the United States.

Let me tell you something else that I haven't forgotten. Two years ago, in October of 1974, when I visited Philadelphia, some of your fellow students thoughtfully gave me a Villanova football jersey. [*Laughter*] After a year or about a year after that, I understand that some of you saw photographs of my daughter, Susan, wearing it. [*Laughter*] Well, Susan couldn't be here today, but I think you will recognize this jersey.

As you obviously saw, that jersey had number 76 on it, and it is on there, as I understood it, because some of you were encouraging me to run in 1976. I took your advice. [*Laughter*] And with your help, we are going to win November 2.

I have come to this great university to share with you some views that I have of America in 1976 and my hopes for America in the next 4 years and beyond.

During the last 2 years, in the aftermath of a very difficult war and a painful ordeal of economic adversity and political crisis, we reached a very critical turning point in America's history.

Throughout most of your lives, as I look around this wonderful audience, America has been in turmoil. Some of our most beloved leaders have been assassinated; there was a war that seemed to have no end; there were destructive riots on our streets and on some of our college campuses; we suffered runaway inflation and the worst recession in 40 years; we were betrayed by corruption at the highest levels of our Government. Fortunately, the skies are much brighter this October. And I think we can say that the administration has had something to do in turning the economy around.

We are in the midst of growing prosperity. More Americans were on the job in 1976 than ever before in the history of the United States, some 88 million people gainfully employed. Many, or I should say too many people are still out of work, but we are on the move, and I will not be satisfied until every Ameri-

can who wants a job has a job. We have cut inflation in half, and we are making continuous headway in that regard.

America is at peace. There are no young Americans fighting or dying on any foreign soil today, and I say with emphasis, we are going to keep it that way.

Perhaps most important of all, America's trust in the White House has been restored. As I said on taking the oath of office as President on August 9, 1974, our long national nightmare is over. In the last 2 years the United States of America has made an incredible comeback, and we are not through yet.

In 200 years as a free people much has changed in our Nation, but America's basic goals remain the same. Americans want a job with a good future; Americans want homes in decent neighborhoods and schools with quality education; Americans want physical security, safety against war, and safety against crime; safety against pollution in the water we drink and in the air that we breathe; we want medical and hospital care when we are sick and costs that will not wipe out our savings; we want the time and the opportunity to enlarge our experience through recreation and through travel, both at home and abroad.

These are the goals which every politician and every citizen, I think, truly has for America. They are not some mystic vision out of the future. They are the continuing agenda for action in this great country.

So, the question in this campaign of 1976 is not who has the better vision of America. The question is who can best make that vision a reality.

The American people are ready for the truth, simply spoken, about what government can do for them and what government cannot and what it should not do. They will demand performance, not promises.

There are some in this political year who claim that more government, more spending, more taxes and more control over our lives will solve our problems. More government is not the solution; better government is the solution.

It is time that we thought of new ways to make government a capable servant rather than a meddling master. It is time we trusted the American people with the truth, that a government big enough to give us everything we want is a government big enough to take from us everything we have.

It is not enough for anyone to say, trust me. Trust must be earned. Trust is not having to guess what a candidate means. Trust is leveling with the people before the election about what you are going to do after the election. Trust is not being all things to all people, but being the same thing to all people. Trust is not cleverly shading words so that each separate audience can hear what it wants to hear, but saying plainly and very simply what you mean and meaning what you say.

I am proud of the maturity of the American people who demand more honesty, truthfulness, and candor of their elected representatives. The American people, particularly young people, cannot be expected to take pride or even participate in a system of government that is defiled and dishonored, whether in the White House or in the halls of Congress. Personal integrity is not too much to ask of public servants. We should accept nothing less, and the American people will not do so.

On November 2, the thoughts, the feelings of our Bicentennial will be expressed in a specific choice: What will we take with us into our third century? What will we leave behind? What sort of government will help us reach our goals, not burden us with excess baggage?

Our Nation's founders did not seek to guarantee our happiness, only our freedom to pursue happiness in our own way. The government alone cannot make life meaningful. It can protect your freedom to pursue happiness, but it cannot make you happy. It can protect your freedom to worship, but it cannot give you faith in God. It can help you to be healthy and well educated, but it cannot plant purpose in your mind or in your body.

Only you, the individual, with the help of family, church, and community—only you can do just that.

Recently we have heard a great deal about the apathy and the frustration of American voters in this election. But I see hopeful signs in this Bicentennial election and every day that passes—particularly in the last week—I have become more and more encouraged. I see not sterile cynicism and skepticism, but the signs of a new realism emerging all over this great country. Americans are realizing that there is only so much the government can do for you, and that every promise has to have its price.

We have been laying the foundations for a great third century in America, not on false promises or empty optimism but on a sound and realistic attitude towards ourselves and towards our system.

For the past 2 years, I have done my best to put this Nation back on an even keel, to chart a steady course for our country's future. We have come a long, long way. We have a long way to go to do all the things that this country has the potential to do.

We can build an America that not only celebrates history but makes it, that offers limited government and unlimited opportunity that concerns itself with the quality of life, that proves individual liberty is still the key to common progress.

I have been very proud to serve as your President. I love this country just as all

of you do. It would be the highest honor of my life for you and your fellow Americans to say to me November 2, Jerry Ford, you have done a good job. Keep right on doing it.

Thank you very much.

NOTE: The President spoke at 2:48 p.m. at the Villanova University Fieldhouse. In his opening remarks, he referred to James M. Nolan, president of the Political Union, and Rev. John M. Driscoll, presi-

dent, Villanova University.

As printed above, this item follows the text of the White House press release.

976

Remarks at a Republican Party Fundraising Dinner in Philadelphia, Pennsylvania. October 27, 1976

Bill Simon, the great Secretary of the Treasury; my good friend and your great Senator, Senator Hugh Scott; my good friend, and again your great Senator, Dick Schweiker; your next Senator, John Heinz; a very fine former colleague of mine in the House of Representatives, Larry Coughlin:

I am here to first express my deep appreciation for the wonderful job that all of you did under the leadership of Drew Lewis at the time of the convention in Kansas City. I want to thank Drew. I want to thank Dr. Ethel Allen. I want to thank all of you who did such a wonderful job. Thank you very, very much.

But I add very quickly, it has been wonderful to come to the State of Pennsylvania, or the Commonwealth, I should say. Like yesterday, I was in Pittsburgh early in the morning, and who was right at my side? Dick Schweiker. I appreciate that kind of loyalty, that kind of cooperation. That's what we are getting in Pennsylvania.

In Kansas City, I said that we were not going to concede a single State, we would not concede a single vote, and we haven't. We have campaigned the length and the breadth of this country, and the net result is we have the momentum going. We have the momentum going because we have the right programs, because we are appealing to the patriotic spirit, the faith that people in this great country have in their Nation, the kind of government that we have.

And let me give you one or two things that I would like to use, or have you use, in the remaining days of this very critical campaign. There are many reasons why we can appeal to Independents, Democrats, Republicans. But there are two things that I think are almost overriding. Peace—one of the greatest achievements of this administration is the fact that we have peace and not a single young American is fighting or dying on any foreign soil tonight. And we have the mili-

tary strength and the diplomatic skill to keep it that way in the next 4 years, and we will.

It would be tragic if the military strength that we have was in any way eroded by suggestions by some that we should slash \$5 to \$7 billion away from those necessary funds from the Army, Navy, Air Force, and Marines, because I can tell you, as one who has negotiated with our allies to strengthen our relationship, as one who has sat across the table negotiating with the leaders of adversary nations, it is so reassuring to know that when I say America is strong, America is united, we have the United States Army, Navy, Air Force, and Marines standing ready to do a job. We can depend on them, and we are going to keep them number one.

As I travel in many, many States, another overriding concern of the American people is that their tax burden is rising, locally and statewide. I can say—and look them right in the eye—and say to taxpayers in Oregon or California, New York or Pennsylvania, that President Ford recommended in January of last year a \$28 billion tax reduction with a \$28 billion restraint on Federal spending.

Congress gave us half of both. They didn't cut the rate of growth in Federal spending as much as they should have, as much as I proposed. They only gave the American people half of the tax reduction that I recommended.

But let me say this: We laid it on the line. We recommended the best way to help the shortchanged middle-income taxpayer—and he has been given short shrift in the last 10 years—we recommended—and Bill Simon, I can recall very vividly saying, “Mr. President, this is the way to do it”—we proposed that we increase the personal exemption from \$750 to \$1,000. Congress didn't respond. I can't understand it, but nevertheless they didn't.

But let's take an example. This is what you can tell people as you campaign in Philadelphia or the surrounding suburbs or anyplace else—that if Congress had done its job, a man who has a wife and three children, when he would make out his income tax returns next April, under President Ford's plan he could have had for his five that he is accountable for—he would have had \$1,250 more in personal exemption. And that would have made a difference to that taxpayer.

Now I make a pledge to you. Congress didn't do the job. It is going to be on their shelf next January. When I submit the budget, the economic plan, we are going to recommend the same thing. And if they fail the American people again, we will put it on their platter in January of 1978. And if they fail again in the Congress, then we are going to the American people in that next election in 1978, and we are going to beat those individuals in the Congress that don't respond with the right kind of tax reduction.

Well, those are the things—peace and a tax reduction.

But now let's talk about the new spirit I find in America, whether it is on the west coast or the east coast. The spark was really lighted here in Philadelphia on July 4. I am sure many of you attended the great ceremonies that we held in the city right here.

The American people have been disillusioned. They lost faith and trust in their country, maybe in themselves. But we turned things around. We restored trust in the White House; we ended the war in Vietnam; we have been quite successful in battling inflation, from over 12 percent to under 6 percent; we have added 4 million jobs.

But the main thing that happened on July 4 was there was a rebirth of spirit. The American people got that old patriotism back. Instead of fighting with one another, they got together. There is a new belief, not only in our form of government but in each other, and in themselves.

And so America has made an incredible comeback. We have the momentum going, and I happen to believe that when the people go to those polls on November 2, they are going to say, "Jerry Ford, you did a good job. We want you to do it for the next 4 years."

So, I thank you all. I thank Billy Meehan, Bill Devlin, your two great Senators, your next Senator, Larry Coughlin, all of you. We have 5½ days to go. We can do it. Pennsylvania is crucial. Let's make certain that the great Commonwealth of Pennsylvania leads the pack so that we will have 4 good years under Jerry Ford.

Thank you.

NOTE: The President spoke at 7:52 p.m. at the Philadelphia Civic Auditorium. In his remarks, he referred to Drew Lewis, chairman of the Pennsylvania President Ford Committee, Ethel Allen, Philadelphia councilwoman, William Meehan, Republi-

can leader of Philadelphia, and William Devlin, Republican chairman for Philadelphia County.

As printed above, this item follows the text of the White House press release.

977

Remarks in Philadelphia, Pennsylvania. October 27, 1976

Thank you very, very much, Congressman Larry Coughlin, Senator Dick Schweiker, Congressman Bud Shuster, your good friend Bob Butera, and all of the other dignitaries here on the podium:

It's wonderful to be in the Commonwealth of Pennsylvania. I love you, and we're going to win.

As I travel around the country and the crowds get bigger, the enthusiasm

becomes even greater, but there's one thing I am an authority on, that's the quality of the bands. Inside, you have the wonderful Durning String Band, the Plymouth-White Marsh Band, and as I came in I couldn't help but notice the fine music and the wonderful appearance of the Central Bucks Marching Band, the Norristown South Marching Eagles, and the Sun Valley High School Band. Thank you all. They're the best. Congratulations. I deeply appreciate them all being here.

Let me be very straightforward with you tonight. It's great to be back in Pennsylvania. You've given me a wonderful welcome here. We had a wonderful welcome in Pittsburgh yesterday, and I thank all the wonderful people from the Commonwealth of Pennsylvania for the support that we're going to get on November 2, and we're going to carry the Keystone State.

I'm going to extend to you a special invitation from Betty and myself. Come on down to Washington, D.C. January 20 and see the Ford-Dole ticket sworn in on Inauguration Day.

As we come to the final countdown days—and we have just 6 days left—I want you to know where I stand. I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for military strength, for peace in the world. And I remind each and every one of you that not a single young American is fighting or dying on any foreign battlefield tonight, and we're going to keep it that way.

After so many, many years in which America's defenses were shortchanged, I proposed the two largest defense outlays in the history of the United States. I was fortunate enough to convince the Congress of the United States not to slash and cut our defense appropriations in 1976.

After so many years of runaway growth in the Federal budget, I submitted a budget for this fiscal year which cut the rate of growth in Federal spending by one-half. I have held the line on Government spending with 66 vetoes and saved you, the hard-pressed American taxpayer, \$9 billion and each family in this country \$200 in Federal spending. And we're going to do better next year. And because, as your President, I have not been afraid to say no to the big spenders in the Congress, we will submit a balanced budget in 1978, and we'll have another tax reduction for the American people in addition.

My idea of tax reform is very simple—it's tax reduction. I proposed last year, in January of 1976, that the Congress increase your personal exemption from \$750 to \$1,000. Let me be very specific. I'm sure in this great group here tonight there are families where there are three children, a husband and a wife. If Congress had done its job, if Congress had done as I recommended, that fam-

ily, next April, in making out their income tax return, would have had \$1,250 more of tax exemption. Congress failed you. We're going to put it on their doorstep next January. If they don't do it in 1977, we're going to submit it in 1978, and if they don't do it then, we will beat 'em in the next election.

I firmly believe that the middle-income taxpayer—which is about 50 percent of the American taxpayers—they've been shortchanged. Jerry Ford is on their side, and we're going to get that kind of tax reduction out of the next Congress, I pledge to you.

Since I've been your President, in August of 1974, we have cut the cost of inflation by one-half, and I pledge to you we'll do even better in the next 4 years.

After the worst recession in 40 years, we have added 4 million jobs to the American economy in the last 2 years, not by creating dead-end taxpayers' jobs, but stimulating jobs with a future in the private economy. That's where we can make this country prosperous again. We'll get tax reduction to get jobs, and we will get tax reduction so you will have more of your own money to spend for yourself and your family, and that's another pledge.

We still have too many people out of work. We're not satisfied with the progress we've made, but more Americans were on the job in 1976 than ever before in the history of the United States—nearly 88 million—and that's a tremendous comeback from where we were just a year and a half ago.

After the tragic betrayal of public trust 2 years ago, America has had its faith restored in the White House itself. My administration has been open, candid, forthright, and straightforward, and we're going to keep it that way in the next 4 years under Jerry Ford.

I can stand before this wonderful group in Plymouth Mall and say America is on the move, America is on the march, the Nation is sound, the Nation is secure, this Nation is on the way to a better quality of life for all Americans, and this administration has earned the trust of the American people for the next 4 years.

My record is one of progress, not platitudes; performance, not promises. Yes, we have our troubles, but in the last 2 years, we've come a long, long way. We've made incredible progress, and we're going to make more in the next 4 years.

Here at home we're putting our old differences aside, we're putting old problems behind us, and we're healing the wounds. I'm proud to be a citizen of the great United States of America. I look out here, and I know that every one of you are just as proud to be an American as I am.

Since August of 1974, America has had a restoration of trust. We've ended the

war in Vietnam. We're making headway out of the recession. It's a record that I'm proud to run on, a record the people of Pennsylvania and concerned citizens all across this land—Independents, Democrats, Republicans—will support this record on November 2.

Give me your mandate, and we'll reduce the rate of growth of the Federal Government. Give me your mandate, and we'll ensure the integrity of the social security system; we will improve medicare so that our older citizens can enjoy the health and happiness that they have so richly earned. There is no reason why they should have to go broke just to get well. And they won't under a Ford administration.

Give me your mandate, and we will create a tax structure that is fair to all, that will preserve the family in America, the family business, the family farm, that will give business the tax incentives to build new plants, to modernize old ones, and to create more jobs in America.

Give me your mandate, and I will lead this Nation on the path of peace through strength, and we will live in peace, in freedom in the United States.

I have no fear for the future of America. The future is a friend of America. And as you and I go forward together, I promise you once more—as I promised you before—to uphold the Constitution, to do what is right as God gives me to see the right, and to do the very best that I can for America. God helping me, I won't let you down.

Thank you very much.

NOTE: The President spoke at 9 p.m. at Plymouth Meeting Mall. In his opening remarks, he referred to

Robert Butera, Pennsylvania State House Minority Leader.

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Remarks in Devon, Pennsylvania. *October 27, 1976*

THANK YOU very much, Faith. Thank all of you wonderful, dedicated, loyal Delaware County Republican workers and the tremendous senior citizens from this area.

It's a high honor and a very rare privilege for me to have an opportunity to say a few words tonight. Of course, I'm here to urge all of you to elect John Heinz your next United States Senator. And of course, I strongly urge you to make darn sure that John Kenney goes down to the House of Representa-

tives. Of course, Dick Schulze and Bud Shuster—they did a great job, so make sure you send them back.

I've never been to a political meeting where I occupied this kind of podium before. [*Laughter*] The last time I had spectators or participants or the public all around me was back when I was playing football at the University of Michigan. That was so long ago it was back when the ball was round. [*Laughter*]

But let me say something, or make a suggestion. I've been in Pittsburgh yesterday, and I had the privilege and honor of being there with Dick Schweiker,¹ who was with me at the J & L [Jones and Laughlin steel] plant and who was with me as I spoke to the Pittsburgh Economic Club. Dick has been traveling with me, and I want to express to him—and he's with me here tonight—my deep appreciation for your loyal and dedicated support.

But as I started to say, I'd like to experiment tonight. As I said, this is a new format. For the next 15 minutes, I'd like to hear a pin drop. I don't want you to cheer if I say something that might inspire you. I hope you won't moan or groan, and please don't fall asleep. [*Laughter*]

But I would like to talk very seriously and very straight from the shoulder, and let you refresh your memory, if you would for just a moment. Go back to August of 1974. Naturally, I'll never forget that occasion because on August 9 of that month, I was sworn in as President of the United States.

America was in very deep trouble. Faith and confidence in the White House had been lost, and I think there was an undercurrent of lack of faith, really, among 215 million Americans, in our government and our future. We certainly were suffering the worst inflation since the turn of the century—over 12 percent. We were on the brink of the worst economic recession in 40 years, and we were still involved very substantially in Vietnam.

I can recall very vividly after taking the oath of office in the East Room of the White House, and going with Betty to the Oval Office and saying to her that we had to stand tall and strong because we loved America, as all Americans do. But we had to find a way to put the ship on an even keel and to set a steady course.

And slowly but surely—because the American people felt that they had a new trust in the White House itself and that we weren't going to panic and we weren't going to try any quick fixes that sounded good but didn't have any substance—and so slowly but surely there was this restoration of confidence in America, its Government, its people, its principles, its aims, its objectives.

People could begin to see that because we were doing the right thing in the

¹ Richard S. Schweiker, U.S. Senator from Pennsylvania.

economy, that the rate of growth of inflation was beginning to dampen down, that the dollar was not eroding as rapidly as it had in 1973 and 1974. And although we were in a recession—unemployment was going up and employment was going down—they saw that we were doing fundamentally the right thing to get us out of the problems we were in. Then, of course, we left Vietnam, and our allies were reassured by the strength that we had in America, and our adversaries saw that we meant business, and we were going to be respected.

So then, we started to move. And you could feel this new spirit that was generating in America. And you, in the Commonwealth of Pennsylvania, probably participated more directly because of the Bicentennial affairs that took place in Philadelphia.

But wasn't that a wonderful experience for all Americans that we could celebrate our 200th birthday with a rejuvenation, a rebirth of the spirit that our forefathers developed when they put this country together 200 years ago—13 colonies, less than 3 million people.

But they faced adversity and they came out of it and gave us this blessing. But on the Fourth of July, after all our troubles, America seemed to be on the move again. There had been this incredible feeling that faith had been restored and that progress was on its way; and we could look down the road with real vision, a vision of achievement, that we could not only read about history but we could make history in our third century.

And now we've got a great election, a great election that is just 5½ days away, really. It's the first election of a President in our third century, and it's an election that will undoubtedly make a difference in the course that America takes not only for the next 4 years but for the next century.

You know what the differences are, but let me talk about what I foresee as what will be done in the next 4 years if I have the opportunity to be your President. We've gotten most of our past troubles out of the way, so we can begin to have some things done that will be an added element to the quality of life that we have here in America.

What do we want? We certainly want a job for every American who wants to work. We aren't going to argue about statistics. I want the kind of a society where the free enterprise system makes it possible for any American who wants to work to get a job, and we're going to achieve that objective in the next 4 years.

But the quality of life not only depends on the job but it depends on the home, the family. The housing industry has been in some trouble during our economic recession. But I was so encouraged the last 2 months—the statistics

indicated that we were really on the upswing. And what does that mean? It means that people are willing to invest, they have a little extra money for that down payment, they can gamble on those monthly mortgage payments.

So we're going to try and help them, my administration. We're going to cut the down payments by 50 percent. We're going to make sure that if a person has a 20- or 30-year mortgage, that the monthly payments are less when a young couple is earning less. And the monthly payments will be higher when a person has more money as he advances up the salary scale. But the strength of this country is the home and the family, and we want those neighborhoods preserved.

And then, of course, we want good health care. I think the American people do get good health care, but we have to make positive that it is health care they can afford. And we owe a very special obligation to the older citizens of this country—some 33 million, as I recall the figure—people who have worked hard, saved, mainly living on retirement incomes. We owe them an obligation. That obligation, I think, is to make certain that if any one of them has an extended, prolonged, expensive illness, that instead of having their savings depleted by the kind of costs that to occur—and I venture to say in this room tonight, everybody here knows of that kind of a serious tragedy in any family.

So, that's why I proposed to the Congress last year what is called catastrophic health insurance, so that any one of our older citizens, senior citizens, cannot have any more than a \$750-a-year bill for hospital or medical expenses. That relieves them and gives them the kind of security that I think would be better for their frame of mind and, certainly, for their savings that they've earned over the years.

But speaking of the senior citizens—and I know there are some here—there are other things that we must do: cut the rate of inflation. We've done quite well, but we're going to do better—from over 12 percent to under 6 percent. That's better than a 50-percent rate of progress. But we have to get it down, and we will.

Then we have to make sure that the cost-of-living escalator for social security payments are there for them to count on. But I have to say that we owe an obligation, likewise, to make sure that that Social Security Trust Fund is sound financially. I proposed a method that I think was fair to achieve that. Congress didn't respond. But we have an obligation to those who are retired and those who will shortly be retired so that trust fund is available and they don't have to worry about it.

And then, of course, of all the people in this great country who need most the protection from crime—it's our older senior citizens. So, we've got to do

something in the quality of life area to make certain, to make positive, that those who commit a crime are convicted and go to jail.

My administration has always felt that the emphasis should be on the victims of crime, not the people that commit the crimes. Let me tell you what we're trying to do. There are, unfortunately, in our society, some who are what we call hardened criminals, career criminals. Starting better than a year ago, we tried in 12 cities, a program of helping State and local law enforcement officers, the courts, with a career criminal program. They went in there and they identified two or three or five career criminals, and they went after them with an amazing rate of success.

I think they, in the 12 cities, have a record of conviction of about 90 to 95 percent, and the average sentence is 20 years in jail. That's what ought to happen to them. But then, now that it has been successful, we are going to expand it, I think, to 24 or 36 cities in the next 12 months. But it's an obligation of every one of us to our senior citizens that they can walk to the store, go to church, visit their friends in safety on the streets of wherever they may live.

But also, we need to make certain that our younger generation has a quality education. The Federal Government does contribute to local and State educational programs. But I was dumbfounded just the other day to find that there are 110 different Federal educational programs. If you can, imagine how many bureaucrats in Washington are managing 110 educational programs.

But anyhow, what we've tried to do and what we are going to do is to simplify it. Instead of having 110 individual programs, we are going to try and have a single block grant program in the major areas, the major 25 programs. We'll increase the money and, at the same time, we'll diminish the number of forms. We'll get the money for the teachers and for the students. Doesn't that make a lot of sense to you? Sure does to me.

And then, I think we have to see how we can finance some of these programs. Last January, as the Members of the House and Senate know, I presented a budget to them that was different than budgets had been in recent years. We found that the rate of growth of Federal spending over the last 10 years had been going up at a rate of 11 percent per year. Unbelievable. And if you projected that for the next 25 years, this country would have been in dire fiscal circumstances. So we decided that we were going to put a lid on the rate of growth of Federal spending, and we did. We cut it in half.

Now, the Congress didn't respond as well as they should; they did a little better than they had been doing. But at the same time that I recommended

that we cut the rate of growth of Federal spending, I said for every dollar we save in Federal spending, I recommend a dollar in tax reduction.

I put two main points in that tax reduction program. I said, number one, the middle-income people in this country have been shortchanged. These middle-income people—who really are 50 percent of the taxpayers in America—could get the best tax relief by a suggestion of increasing the personal exemption, which is now \$750 a year, to \$1,000 a year.

The other day I was visiting a factory and talking to some workers, and one of the men said, “Well, Mr. President, what will you do for my family under your tax proposal or tax reduction recommendation?” I said, “Well, how many children do you have?” He said, “I have three, and a wonderful wife.” I said, “All right, if Congress had done the job instead of going off in the wrong direction in tax reduction,” I said, “next April when you figured out your income tax return, you could have had, with three children, a wife, and yourself, \$1,250 more in personal exemption.” He said, “Gosh, how could the Congress be so stupid not to do that?”

Well, anyhow, let me say this: We’re going to submit it to them in January. We’ll give them another crack at it, because the middle-income taxpayers need that relief.

But in order to create the jobs that are essential and necessary in America—and we have about 2,000,000, 2,500,000 that are coming into the labor market from our younger people that are finishing school—industry has to have an incentive to expand in their locations where they may be, or to build a new plant, to buy better equipment. So, I think the business community ought to get some tax relief so they can create the jobs that are so important if we are going to give job opportunities in the private sector. Oh, I know some people in Congress advocate putting everybody on the Federal payroll. That is a dead-end, no-advancement area. What we need is a job in the private sector, where people can work with certainty and with an opportunity for advancement.

Now one final point: Nothing pleases me more that we can say, and say with honesty: There’s not a single young American fighting or dying on any foreign battlefield tonight. But to maintain that, we have to be strong enough to convince our allies that we are prepared to work with them to preserve the peace in the free world. We have to be strong enough so when the President sits down and looks the head of government of an adversary nation straight in the eye, he has to know that America is strong and that America has the will, America has the courage and fortitude to do what’s right. The only way you can have that

is to have an Army, a Navy, an Air Force, and Marine Corps that are number one.

I don't think that you can cut the Defense Department, as some suggest, and have our military capability unsurpassed. To deter aggression, to meet any challenge, to protect our national security, I believe that the President of the United States has an obligation to see to it that the necessary funds are there to buy the best weapons, to have the best leadership, to have the best training, to have the strength that adversaries respect and allies appreciate. Then America can keep the peace that we have and be the leader in the world, and we will under this administration.

One final thought. Faith tells me that the party workers in Delaware County are the best not only in the Commonwealth of Pennsylvania but in the whole United States. Pennsylvania is a key State in this election. We can win or lose. We can have the direction of America going one way if Pennsylvania is on our side, and the country can go another way if Pennsylvania is on the other side. It's that very practical result.

So Delaware County is the county that can make the difference. So all 3,000 of you here, I hope, will maximize your efforts and turn in the biggest vote, a vote for America, a vote for America's future. We're on the march; we're on the way. There's a new faith; there's a new spirit.

What you do between now and November 2 when the polls close will make a significant difference in the third century of America's future. I know you won't let America down and, as the next President, I won't let you down.

Thank you very much.

NOTE: The President spoke at 9:58 p.m. at the Valley Forge Music Fair. In his opening remarks, he referred to Faith Whittlesey, vice chairman of the Delaware County Council.

979

Remarks in Indianapolis, Indiana. *October 28, 1976*

THANK YOU very, very much, Governor Otis Bowen. It has just been wonderful to have worked with you, and those words were, I hope, deserved. They certainly were appreciated.

But it's great to see so many old friends here: Congressman John Myers, Bud Hillis, Bill Hudnut, your fine mayor and, of course, your next United States Senator, Dick Lugar. Then I understand somewhere in the audience is an old and very dear friend of mine, Bill Bray. Bill, thank you.

But equally important, I understand you have some topnotch congressional candidates, Larry Buell, David Crane. Elect them. I need them. You need them in Washington, D.C.

I'm deeply grateful to Mr. McAlister for heading up this wonderful affair, and, of course, I'm extremely grateful to Forrest Tucker for being a great master of ceremonies so early in the morning.

There are two friends, I understand, Forrest introduced, but I would like to express my deep gratitude and appreciation to both of them. They're making an extraordinary effort to be helpful. First, a fellow you've heard about, Joe Garagiola.¹ Joe, where are you?

I am extremely indebted to one of the outstanding Members of the House of Representatives—I should say really in the Congress—and I think Bill Bray and Bud Hillis and John Myers would verify this—one of the outstanding Members of the United States Congress during my many years there. She and I served together, she on the Democratic side of the aisle and I on the Republican. But there was no person in the Congress who was more knowledgeable and more farsighted, more helpful to education in the Congress on either side of the aisle, than former Congresswoman Edith Green, and I want to express my appreciation for her loyal and wonderful support. Thank you very, very much Edith.

Obviously, it's wonderful to be here in Indianapolis, a city growing stronger under good Republican management and Hoosier pride, a city with a tradition of outstanding leaders from such men as Dick Lugar and Bill Hudnut.

Before Bill became your mayor, he was a colleague of mine in the House of Representatives. This year it's Dick Lugar's turn to go to Washington, and on November 2 you're going to send him there.

Bill Hudnut and Dick Lugar are both so talented I think we ought to agree to share them. You can keep one here to keep Indianapolis on the right track, as long as we can have the other one in Washington to get Congress back on the right track.

Let me say a word or two about your great Governor. When Doc Bowen came to Indiana, to its State House, 4 years ago, that was one house call that helped over 5 million people. His wisdom and his experience have served you so well in the past 4 years, and I just am so encouraged to see that the voters of the great State of Indiana are apparently going to give him an overwhelming victory. And that's a great, great tribute to you Doc, for the superb job that you've done.

Now we have less than a week to go before Election Day. One of the major issues in this Presidential campaign has been the state of our national economy.

¹ NBC sports commentator.

Of all the differences between Mr. Carter and me, none is more important than our differences over economic policy. These differences have a lot to do with our contrasting views of what the fundamental role of our government should be in the United States of America.

I was interested to read a recent summary by the National Association of Business Economists—60 percent of those professional economists replied that a Ford administration would be far more likely to pursue economic policies in the national interest. Only 14 percent gave such a vote of confidence to Mr. Carter.

The Ford administration in the 2 years-plus has earned the confidence of the American people by addressing our immediate problems while maintaining a long-term view of economic policy.

When I came to office 2 years ago, the economy was suffering the most disastrous consequences of many years of short-term and shortsighted policies. We had experienced budget deficits in 14 of the last 15 years. Wage and price controls—they burdened us with a tax structure which did not encourage sufficient capital formation. We all remember what the consequences were. Inflation was growing, confidence was shrinking among consumers and among businessmen, and our economy was in the early stages of the worst recession in 40 years.

I don't mind admitting I faced considerable pressure from the Congress and elsewhere to try the same old short-term solutions. They sounded good on paper but, believe me, in the 25 years that I have been in Congress and seen us go through the same experiences, I knew deep in my heart that that was not the road to travel.

The economic downturn, as you will recall, set off a clamor for huge emergency Federal subsidies for more and bigger Federal programs and higher deficit spending. I rejected this policy of panic and, I think, we were right.

Instead, I chose policies designed to build long-term, sustained economic growth without inflation. Instead of trying to buy our way out of the recession by throwing open the doors of the Federal Treasury, we took steps to revitalize American business and American industry. The result has been a recovery built on a very solid base. We've cut inflation by more than half. From the frightening annual rate of over 12 percent, our latest monthly figures show it running at 4.8 percent. That's real progress.

Equally important, my administration is putting America back to work. Since the recession low of March 1975, total employment has increased by nearly 4 million people. We have more Americans working today than ever before in the history of the United States, nearly 88 million.

Unemployment is still too high. Let me point out, however, that its failure to

drop more sharply this year is the result of an unprecedented increase in the size of the American labor force. That great increase in the size of the labor force is a sign of renewed confidence in the health of our economy and the dramatic increase in job opportunities.

Let me say very strongly, I won't be satisfied until every American who wants a job has a job. But those jobs won't be secure, those pay checks won't be protected unless we keep inflation under control. Inflation hurts all of us, especially our older citizens on fixed incomes. It robs their savings, their purchasing power, and everybody else's.

Inflation not only cuts our purchasing power, it ultimately cuts confidence and it is the most basic element in a sustained recovery. Consumers, fearful of inflation, hold back on purchases. We vividly recall that in late 1974. Inventories accumulate, production slows down, businessmen defer investment in plants and equipment, and jobs are lost. We know this scenario much too well. We've seen it happen before in our history. We must not let it happen again, and this administration will not permit it in the next 4 years.

America's confidence in its economy has been restored. We've shown that inflation can be driven down, can be cured. Now we must keep America's confidence by continuing to hold the line. We must keep raising America's high standard of living. Our economic progress depends, as always, on our ability as a nation to foster capital investment and increase the productivity of our workers.

I have proposed reforms to the Congress to stimulate what some call capital formation through tax incentives. That's a big mouthful, but I prefer to use the term—and it's much more meaningful—job creation, because that's what the proposals would do as a practical matter.

To meet our employment goals, to create 10 million jobs over the next 4 years, 2,500,000 each year for the next 4 years, will require a substantial increase in the share of our gross national product committed to the private sector.

Some of the so-called tax loopholes condemned by my opponent are in fact important tools to encourage capital formation. They are incentives for business expansion, for business investment, so our economy can employ more people and produce more goods and more services. America's government must make it easier, not harder, for American business to find the capital that makes the whole system work.

In our third debate, last Friday—and I might make a comment about that—I was asked if I had any suggestions about the debates. I said number one, they ought to be institutionalized—and I hope they will in future campaigns—

but I had a personal observation. I hoped that Mr. Carter would answer his questions and that I would question my answers. [*Laughter*]

As I was saying, I was asked in the debate last Friday—or my opponent was asked—what were the reasons behind his rather drastic slippage in the polls. In my view, one very important reason for his precipitous decline in popularity is that since his party's convention he has relied very, very heavily on the discredited old formula of more promises, more programs, and more spending.

The American people today are in a very realistic frame of mind. They know that every promise has its price. The price in Governor Carter's case would be a minimum of \$100 billion up to maybe \$200 billion every year out of the Federal Treasury. That's the price of the new spending programs that he endorses.

You and I know that there are only two, only two alternatives: The Federal Government can pay for those programs by increasing taxes or it can borrow the money to pay for them, putting more pressure on the credit markets, making it harder for business and industry to find the money that they need, adding to the deficit, and fueling the fires of inflation. That, in my judgment, is the wrong approach altogether, and I will vigorously disapprove of it in the next 4 years.

We need to hold down the rate of growth in Federal spending, and as the Members of Congress who are here know, when I submitted the budget in January of last year, I said we could not afford the 11-percent increase in Federal spending that had been the trend for the last 10 years. So, I submitted a budget that would reduce that rate of growth by 50 percent to an increase of 5½ percent.

Congress didn't respond. They did a little better than they had been doing, but they've got a long way to go. Let me say to every Member of Congress, Democrat or Republican, we're going to submit a budget in January next year that will have the same pressure on Federal spending, and I want their support to keep the lid on that spending.

Well, I've been trying to keep that lid on, and we've done that with some 66 vetoes, saved the American taxpayer—or saved the American Treasury—about \$9 billion, averaging approximately \$200 per family in Federal spending.

In addition, let me say, we can reduce taxes if we act responsibly in restraining the growth of Federal spending. We can reduce taxes for private individuals and corporations as well.

I have proposed—and I reiterate here—the increase in the personal exemption by one-third, from \$750 to \$1,000, and trimming the corporate income tax rate at the same time. The most necessary tax reform today is tax relief for the

middle-income taxpayer. I submitted a tax reduction bill to the Congress last year that called for the increase in the personal exemption from \$750 to \$1,000.

Congress didn't respond. I don't understand why because I was talking to some workers out in the factory the other day and one of the men legitimately asked me, "What are you doing about my tax burden? They're going up locally. They're going up statewide." I said, "Well, I proposed that Congress give to you this increase in the personal exemption." I said, "How many children do you have?" He said, "I have three." It turned out he had a wife and three children. I said, "If Congress had been smart, they would have given you that kind of tax relief, which would have given you the opportunity next April when you make out your 1040 return, you would have \$1,250 more in personal income tax exemption." I said, "How could Congress be so stupid not to do it?"

We're going to submit it to them in January. We're going to submit the same proposal to them in January, and if they don't pass it in 1977, we'll resubmit it in 1978. And if they don't pass it in 1978, I'm going out and try to beat them all in the election in 1978.

Well, I've indicated to you that I intend to propose as the first order of business in Washington next January an additional tax cut of \$10 billion. And as soon as the Congress is organized, I intend to meet with its leadership—Democrat and Republican—so that we can put a tax cut at the top of the legislative agenda for 1977.

In the meantime, I believe that every candidate for Federal office, from the White House to the House of Representatives, has an obligation in the closing days of this campaign to say precisely where he stands on tax cuts. Specifically, I call upon all candidates for the Congress to tell their prospective constituents before the election, not after the election, whether they will support the kind of additional tax cuts that I have proposed.

I pledge to the American people that I will seek tax cuts as the number one priority in the next Ford administration, and I ask for the help of voters in electing a Congress that will work with me toward that end.

My view is that our Government should return more money and more power to the American people and to the State and local authorities closest to the American people. In recent years, we've seen a trend toward greater centralization, greater power in Washington, and less State and local authority in your respective communities and States. This trend has not only hurt the American economy, it has sapped the American spirit.

The continuing economic crisis in Great Britain—you may have read yesterday, it was worse yesterday than it has been before—tells us all we need

to know about the dangers of too much government, too much spending on borrowed money. Just a few days ago, the value of the British pound dropped to a new alltime low. Inflation has been running at approximately 25 percent. Government spending in Great Britain now accounts for 60 percent of the entire British economy.

The courageous—and I emphasize courageous—British Prime Minister of that troubled nation has gone to the very heart of the problem. Listen to what he said just a few weeks ago to his own Labor Party, the party that played an important role in helping to create the crisis that they face. Prime Minister Jim Callaghan said, and I quote, “We used to think that you could spend your way out of a recession and increase employment by cutting taxes and boosting government spending.” He went on to say, “I will tell you in all candor, that option no longer exists and that insofar as it ever did exist, it worked by injecting inflation into the economy. And each time that has happened, the average level of unemployment has risen.” He went on to say, “Higher inflation followed by higher unemployment, that’s the history of the last 20 years in Great Britain.” We must not let that happen in the United States. We can avoid it, and as long as I am President of the United States we will avoid it.

That is but one of the many important reasons I am a candidate for the Presidency in 1976. I need your help. I need your support. I need your vote on November 2.

You know where I stand. You know what I’ve done. You know what we can do. Under my Presidency in the next 4 years—and with your support and our victory here in Indiana and nationwide next November 2—I will never let you down.

Thank you very much.

NOTE: The President spoke at 9:05 a.m. at the Scottish Rite Cathedral. Prior to his remarks, he attended a private President Ford Committee reception at the cathedral.

In his remarks, he referred to Representative Wil-

liam G. Bray, of Indiana 1951–75, Frank C. McAlister, director of personnel and labor relations for the Indiana State Chamber of Commerce, and actor Forrest Tucker.

980

Remarks on Arrival at Covington, Kentucky.

October 28, 1976

Well, thank you very much, Governor, Bob Taft, the Members of the congressional delegations from both Ohio and Kentucky:

It’s great to be in the southern Ohio area. But I did want to make a very

special announcement here. I am releasing a comprehensive statement on nuclear policy, calling upon all nations of the world to join in a cooperative effort to expand the benefits of peaceful uses of nuclear energy while preventing nuclear proliferation.

The actions that I'm announcing today are designed to strengthen the commitment of all nations to the goal of nonproliferation, change as well as strengthen U.S. domestic policy and programs to support our nonproliferation goals, and to establish a very strong foundation for increasing the use of nuclear energy in the United States and abroad.

The State of Ohio will have an important role to play in meeting these new objectives. We must have new capacity to provide fuel for nuclear powerplants here as well as abroad. The additional uranium enrichment plant that we are going to build at Portsmouth, Ohio, is critical to that capacity. Construction of the Portsmouth plant is now expected to cost \$4,400 million and will mean 6,000 new jobs for southern Ohio.

The Administrator of the Energy Research and Development Administration has assured me that construction of that plant can begin early next year, which means early 1977. Construction of that plant at Portsmouth, Ohio, will assure a central role for Ohio for years to come in providing fuel needed for nuclear powerplants in the United States and around the world.

And I thank the members of the Ohio delegation for the strong support that they have given me in making this announcement possible. And I particularly point out Bob Taft, Bill Harsha, and the rest of the southern Ohio delegation that has done so much to make this announcement possible.

I thank you very, very much.

NOTE: The President spoke at 12 noon at the Greater Cincinnati Airport. In his remarks, he referred to Governor James A. Rhodes of Ohio, Senator

Robert Taft, Jr., and Representative William H. Harsha of Ohio.

981

Remarks at a Rally in Cincinnati, Ohio. October 28, 1976

Thanks very, very much, Governor Jim Rhodes, Senator Bob Taft:

I am certainly looking forward to having Bob Taft down there to help me in the next 4 years, so he can help Ohio in the next 6 years. Send him back. We need him, and so do you.

But it is also great to see so many of my old and very dear friends from the House of Representatives: Bill Gradison, Don Clancy, Tom Kindness,

Bud Brown, Bill Harsha, Gene Snyder, Doc Carter. Well, there is one special person, too, a former Senator, just resigned as our Ambassador to East Germany, John Sherman Cooper.

Well, it is just great to be here in Cincinnati, the home of the Big Red Machine. You didn't concede a single game in the World Series, and we won't concede a single State or a single vote on November 2.

A few days ago, I understand you had a pretty big celebration here on behalf of the Reds,¹ and I would, too—back-to-back world champions. Boy, what a record.

And I am very, very proud to have some of the men here who made that championship possible. We have Ted Kluszewski. You know, I know something about Ted. He not only helped the big bats break loose in that World Series but what a hitter Ted was in his own day. And then Ken Griffey. I have been trying to run as fast as Ken does when he goes for first base. Then, Pete Rose. Pete, who plays baseball like that great American spirit: Give us a chance and we will get there ahead of everybody, period.

But there is another baseball friend of all of yours and a great friend of mine who is here. He had a little color that he added to the World Series, a great friend of mine who has been campaigning with me, Joe Garagiola.

But, you know, it is also a great honor and privilege for me to be here on this platform with some of the great athletes that represent Cincinnati so well, the champions of some of the sports in our Olympics, the Bengals, the Cincinnati Stingers. I thank them all for being here and wish them all the very, very best.

But let me extend to all of you a special invitation. On January 20, a pretty significant day, I invite every single one of you to come to Washington and participate in the Jerry Ford-Bob Dole inauguration.

Johnny Grant came in from California. He handled a great rally like this in Orange County, and thank you, Johnny, very much.

As I said, Jim Rhodes has been a loyal friend, a great Governor, and I want to express my deep appreciation to him for the job he has done for you, but also for the help and assistance that he has given me. Thanks very much, Jim.

We are at the countdown, fellows. We are at the countdown where it makes a difference for all the men and women, the young and the old. On November 2, some big decisions are going to be made.

But let me point out to you, today America is at peace. No American is fighting or dying on any foreign soil, and we are going to keep it that way. Your lives are not being threatened by war or interrupted by the draft. I have spent

¹ Cincinnati Reds professional baseball team.

most of my time in the last 2 years working for peace, and I am determined to keep America out of war in the next 4 years.

And what does that mean? That means that America's young people, like the many young people I see in this great audience here today, can go to school and get a good education. That means they can plan their careers confidently, buy a home, raise a family, and look forward to a great life.

I pledge, as I said a moment ago, that in the next 4 years, because we are strong militarily, because we are skillful diplomatically, that America will be at peace, and we will keep it that way. Thank you for that support on that key issue.

But here in this great part of southern Ohio, you make a substantial contribution to our military weaponry that is so essential. I refer here to the contribution to the B-1 bomber program where GE puts those engines together so we can have replacements for our aging B-52's. We need the B-1. There is no right—it would not be fair to send our young pilots in the years ahead to do a job for you and for me in an aircraft, a weapons system that is older than they are, and that won't be the case under President Ford.

We not only have to keep ourselves strong militarily and skillful diplomatically, we have to keep our economy strong. I know Ohio believes, as I do, in growth and in progress. I announced this morning at the airport a very important decision, which is particularly important to southern Ohio. My new policy is designed to keep America number one in the nuclear energy field in order to maintain our world leadership in that area. We must maintain our position as a major reliable supplier of fuel for nuclear power, not only in the United States but around the world.

The diffusion plant near Portsmouth, Ohio, has played a leading role in supplying enriched uranium for electric powerplants in the United States and for the rest of the world. Last May, I announced that we will build an add-on plant in Portsmouth, Ohio. The Energy Research and Development Agency [Administration] is now asking for bids for further design work on this add-on plant. The construction—listen to this—the construction on this important addition at Portsmouth is to begin next year, early 1977. This is a \$4,400 million construction project, and it means 6,000 construction jobs right here in southern Ohio.

America needs more good productive jobs like that created by a healthy, growing economy. My policies have brought up America from the depths of its worst recession in 40 years, and with your support we can continue the march to a sound and sustainable prosperity. With your support, I will continue the

sensible, commonsense approach that we have to your Government by keeping the lid on Federal spending, by doing an even better job in cutting the rate of inflation.

You know when I became President a little over 2 years ago, the cost of living was increasing at the rate of over 12 percent. By doing the right thing, keeping a lid on Federal spending, by having tax reduction, stimulating the economy in the right way, we have cut the rate of inflation under 6 percent, and we are going to do better in the next 4 years.

But if we are going to have the kind of an economy that is one that will make jobs available in the private sector, we have to have additional tax reductions. There is an old saying that I firmly believe in—the best tax reform is tax reduction. As I look across this group here this morning on Fountain Square, I know that most of you are in the middle-income taxpaying brackets. The record shows that the middle-income taxpayers have been shortchanged, and we are going to change that in the next Congress.

I recommended to the Congress last January that the personal exemption ought to be increased from \$750 to \$1,000. That is a one-third increase in the tax exemption you would be getting. But I was out to a plant the other day and I asked the man, I said, “How big a family do you have?” He said, “I have three kids and a wife.” I said, “If the Congress had acted responsibly in this last session, they would have done what I proposed be done last January, which would have been to increase the personal exemption from \$750 to \$1,000 and you, Mr. Taxpayer, with three kids and a wife and yourself, when you make out that income tax return next April, you would have had \$1,250 more of personal exemption.”

Now, Congress didn’t do what I proposed. But Congress is going to have it on their doorstep when they come back, and they better pass it. If they don’t pass it in 1977, we are going to go after them in 1978, and if they don’t do it in 1978, we are going to beat them in the election in 1978.

Now let me tell you something else that I support. I mentioned it in the last debate. In my view, we lost a great, great American tradition when the Supreme Court ruled out voluntary prayer in public schools. Every child should have the opportunity for voluntary prayer in school, and I strongly support a constitutional amendment that would permit voluntary prayer in public schools.

We have much to do. We have to keep strong so we can keep the peace, so that when I negotiate with an adversary, whether it is from the Soviet Union or any other country, or when I negotiate with our allies, they know America is number one.

We have much to do to keep the economy strong so we have prosperity for our people. We must do what is right so that our older people have an opportunity to enjoy the quality of life that they have so richly earned. But let's do all these things together. I ask for your vote so we can keep America strong, peaceful, prosperous, and free.

It would be the highest honor of my life for you to say to me here in southern Ohio and all over this country, "Jerry Ford, you have done a good job. Keep right on doing it for the next 4 years."

Thank you very much.

NOTE: The President spoke at 12:40 p.m. at Fountain Square.

As printed above, this item follows the text of the White House press release.

982

Remarks at a Parade in Cleveland, Ohio. *October 28, 1976*

WELL, let me express to the three wonderful young ladies here my appreciation for the opportunity of participating in this wonderful occasion. I know that the bread comes from the fruits of your labor and that the salt comes from the sweat of your brow, and I am deeply grateful for this expression of your friendship and your hospitality. And may I express to all of you, the three of you and the others, my deep, deep gratitude for this opportunity to have this honor. I thank you very, very much.

Let me add a few words to what I have said. As I had the privilege of having the bread and the salt, and as I said to the three fine women that made it opportune for me to do so, I know the significance—that the bread is the fruit of your labor and the salt is the sweat of your brow, and the participation in it is an indication of your friendship and your hospitality.

Well, I am delighted to be here in the Karlin Hall area, and I thank you very, very much. As we came down that Fleet Street highway, the opportunity to see so many wonderful people, something that I was taught in Sunday school at a very early age came to my mind. A Sunday school teacher told me that the beauty of Joseph's coat is its many colors. All of us who make up America today, 215 million of us, come from all kinds of backgrounds, but we are all Americans, and the fact that we are makes America great.

America stands for freedom here in the United States. Our Constitution protects our freedom. Our Government has an obligation to make certain that we have freedom, liberty in America. But in addition, America is the symbol of freedom for people all over the world, and we are going to keep it that way. But

in order for America to be not only the symbol but the hope for freedom and liberty around the world, America must remain strong militarily, we must stay number one, and we will under a Ford administration.

I think all of you know that it costs money for us to have the best Army, the best Navy, the best Air Force, and the best Marine Corps. But let me say, the fact that we are number one encourages our allies to stand tall and strong with us and, at the same time, is a warning to our adversaries they hadn't better try to fool around with America. America will meet any challenge anywhere, any place, any time, because we are strong, and we are going to stay strong.

But in order for us to do this, we have to have a strong economy at home. A little over 2 years ago, I was privileged to become your President. We had tough times. Inflation was over 12 percent; we were on the brink of a recession; there had been a loss of faith and trust in the White House; and we were still involved in Vietnam.

But we kept the Ship of State on an even keel. We set a steady course. And the net result is there has been a restoration of faith and trust in the White House. I have been open, candid, frank; I shoot straight from the shoulder, and the consequence is the American people trust the President of the United States.

We have reduced inflation from 12 percent to under 6 percent. We are getting more jobs in America. But I won't be satisfied until everybody who wants a job, who wants to work, has a job in the United States.

But now let us think about the future security of this country—strong economy at home, peace in the world, peace through strength, and hope and vision and expectation for those people around the world who look at America. So our job is to make sure that America is there for their hopes, for their vision, for freedom and liberty.

Thank you very, very much.

NOTE: The President spoke at 6:14 p.m. at the Fleet Avenue Parade Site.

983

Remarks at a Fundraising Reception for Senator Robert Taft, Jr., in Cleveland. *October 28, 1976*

Thank you very, very much, Bob Taft:

You can't imagine the thrill it is, how really humble I feel to be on this platform in this great Karlin Hall with the two greatest Governors in the history of Ohio, as well as the finest mayor of a great city; and then a person who is going to

follow in the great tradition that he has built on his own record and the great tradition of his father, your Senator, Bob Taft.

If I might take just a minute to introduce a member of my family—we have three boys and a daughter, Susan—and our son, Mike Ford, has been here in the State of Ohio all day; he's going to be with me tonight. He's a divinity student up in Boston, Massachusetts. He's out campaigning for his old man. I would like to introduce to you our son, Mike Ford.

Let me reemphasize right here in Karlin Hall how proud I was to have shared with you your bread and salt, and I am equally proud to be your President and your friend. It is great to have had the opportunity of going down Fleet Street. The good mayor has told me on many occasions about his home, his neighborhood, his friends. Well, I saw it firsthand. And to be here in Karlin Hall really gives me a great, great thrill.

If I might add a special observation and comment—us Michiganders look at people from Ohio and, you know, we have nothing but great, great respect for you. And when I was first getting started in politics Frank Lausche was your Governor. I never thought when I took that step to run for the House of Representatives that I would ever have the opportunity to meet and work with Frank Lausche, but fate made it such that Frank went to the United States Senate and I stayed in the House of Representatives. And over the years we not only became good friends but we recognized that our philosophies—even though he was a Democrat and I was a Republican—were virtually identical.

We believe in the same basic sound principles that had made America great, and to have a statesman of his stature—and he mentioned his age, I didn't—make the effort to come and to speak as he did about his friend, Jerry Ford, I will never forget it. It will be a high moment in my political career.

The thing that impresses me about the many people I see here and what I saw on each side of the street is that you have so many wonderful traditions, such distinctive and delicious food, a uniquely spirited way of life, a very special place in this great American family. Through your support for people Frank Lausche, Jim Rhodes,¹ Bob Taft, myself, we want to make certain that what we do politically preserves these unique things that each and every one of you represent.

We think those different heritages must be kept alive, and I can assure you, as your President for the next 4 years, I will be listening, I will be responding to your concerns, individually and collectively.

Each of your group is unique and, as I said out on the street, I was taught

¹ Governor of Ohio.

early in my life by a wonderful Sunday school teacher that the beauty of Joseph's coat is its many colors. The strength of our great country is the fact that we are all different, that we share that same great hope for freedom and liberty not only for ourselves but for mankind.

You share a deep, deep devotion to your family and your churches and your neighborhood. These are the best American values. They are the values that really keep America united. They are my values. You are my concern, and I know that America is your concern.

My administration has been working to ensure that what you have earned, what you have built for yourself—your homes, your churches, your local groups, your social club—will be here tomorrow for them, your children, to enjoy.

We must ensure that your families will have the healthy neighborhoods like this one. Ralph Perk² told me that he was born a house or two away from where he now lives and the neighborhood has retained its great strength and character. We must keep, across this Nation, not just in Cleveland, this kind of a neighborhood so that people can build a decent and better life for themselves.

A family needs a neighborhood that is safe. A family needs a neighborhood that is stable. A family needs a neighborhood of local churches, local shops, and local schools. The first day of this year, January 1, I signed into law—some of you may remember—the Mortgage Disclosure Act to prevent redlining and neighborhood decline. Two months ago, I met with ethnic leaders to see what more we could do and, as a result of that meeting—and Ralph Perk, as I recall, was there—I created a President Ford committee of urban development and neighborhood revitalization.

I charged that committee with developing a sound fiscal policy, a sound Federal policy to help preserve our neighborhoods. That policy will be based on local initiative and local control, and I will see that that policy is carried out over the next 4 years.

I am deeply aware of another issue that troubles many of you, especially those of you from Eastern Europe. This Bicentennial Year, as you celebrate, as we all celebrate American liberty, you are concerned to see that your friends and relatives abroad who do not share all of your freedoms, your friends and relatives are not forgotten.

America cares today as it has always cared. We stand for freedom and independence in 1976 as we stood for freedom and independence in 1776. My position during my total political career in the Congress, as Vice President, and now

² Mayor of Cleveland.

as President has remained the same; that is, the spirit of the peoples of Eastern Europe has never been broken and never will be.

The United States, as a matter of fundamental principle, supports the aspirations for freedom and national independence of the peoples of Eastern Europe. And as long as I am President of the United States, our great country will never recognize or acquiesce in the Soviet domination of Eastern Europe.

As we celebrate our Bicentennial—and wasn't that a wonderful day on July 4 of 1976—we must make certain that the whole wide world knows the torch of freedom in the Statue of Liberty still burns brightly and always will.

What a great day this has been in Cincinnati, here in Cleveland, culminating in this great occasion in Karlin Hall. But let's make November 2 an even greater day with its victory for all 215 million Americans.

I ask for your help, I ask for your support, I ask for your vote so we can continue to keep America strong, proud, and free. With your help, we will do it, and I will never let you down.

Thank you.

NOTE: The President spoke at 6:41 p.m. at Karlin Hall.

As printed above, this item follows the text of the White House press release.

984

Remarks at the Sun Newspaper Good Neighbor Awards Banquet in Cleveland. October 28, 1976

Thank you very much, David, Governor Rhodes, Mayor Perk, distinguished guests, ladies and gentlemen:

It really is a great honor and a very high privilege to congratulate the Good Neighbors selected in 46 suburban neighborhoods in the greater Cleveland area, to congratulate not only the winners but the families as well, and your distinguished mayors and your community leaders.

I commend, David, the 12 Sun newspapers, as very good neighbors for providing this recognition to all of you for bringing a ray of sunshine into the lives of others. It is a wonderful occasion, and I am honored to be here.

My understanding is that none of the winners of the Good Neighbor Awards sought the nomination. [Laughter] In politics you have to do that. But no politics were involved in your selection. Nevertheless, you won the popular vote and all of the electoral votes in each and every one of your communities. Believe me, as I understand it, there was no apathy on behalf of each and every one of you.

I recall the many good neighbors that Betty and I had in communities where we lived. Of course, our home is Grand Rapids, Michigan, but our four children were brought up in Alexandria, Virginia. And believe me, good neighbors in both places were essential and just wonderful, as far as our young family was concerned in Betty's and my married life. The spirit in both of those communities, I know firsthand, is still alive, but it is also alive here in Ohio. But more importantly, it is alive throughout the United States.

Our traditional values in this great country just haven't gone out of style. As individuals, I understand you noticed that snow needed to be shoveled off the sidewalks of some elderly neighbors, that hot meals were required by people stricken by illness, that a blind person needed a ride to a shopping center, that neighborhood teenagers needed help with their school work, if someone was away and their pets needed some food, that a disabled veteran and a new neighbor needed friendship.

You didn't refer them to some government office or agency—whether it was local, State, or Federal—for assistance. You responded as a human being to other human beings. And I think that is what makes America work; it always has. It is what America really is all about—neighborliness, kindness, homes, families, religious values—all adding up to that special quality of what we proudly call Americanism.

And as I look around this room tonight, it is obvious to me that Americanism has not died. Americanism is alive; it is well. It is living from Cleveland to Rocky River, to Parma and North Royalton, to Richmond Heights, to Shaker Heights, to Garfield Heights. Gosh, I can't think of all the other communities. [Laughter] But they are all wonderful communities in this great State of Ohio, and it is similar, I am sure, in all the communities throughout the United States. And I am proud to say that as long as I am President, I will do all that I possibly can to keep that wonderful spirit alive.

[At this point, David Skylar, president, Communications-Corporation Papers, presented the President with the National Good Neighbor Award.]

Thank you very much, David.

I could make quite a speech about John Collins—even before he nominated me. [Laughter] You might be curious, he is 90-something now. He was the mayor of East Grand Rapids—I don't know, countless years—and he was a very hard-working, dedicated, religious man. He worked for—some of you may have used their products—the Bissell Carpet Sweeper Company for years and years and years and years—I mean years.

But John Collins lived out in East Grand Rapids, which is a suburb like Shaker Heights in Cleveland. John Collins, every day that he was employed, walked from East Grand Rapids, rain or snow or sleet, down to his factory where he was employed. You would drive down and you would say, jump in. Oh, no, John walked that route for about 50 years every day, about 5 or 6 miles, home and back. But he was a super mayor because he was interested and concerned with people. And he finally, on the orders of his family and his doctor, was convinced that he ought not to seek continued public service.

But John is the kind of a person that really ought to get that award, and I feel honored that he would think that highly of me. But I really accept that award—and I say this sincerely—on behalf of all of the American people because I find as I travel around this wonderful, wonderful country where we live, that we are all good neighbors with one another. We can disagree without being disagreeable. We can work to keep America moving.

Probably the most inspirational day that I ever spent in my life, certainly as President, was the Fourth of July last year—this year, I should say—when we celebrated our 200th birthday. I had the privilege of making a few remarks at Valley Forge and reminding the people there of the sacrifices that were made on our behalf by George Washington and that cold and scraggly army, and then in Philadelphia where it all kind of began, culminating in New York City and seeing those tall ships from all over the world.

But those three affairs were not the only ones that were held in America to show the rebirth of our spirit and the rekindling of our faith and the rejuvenation of what America stands for. We have a new direction. We are in motion. We are moving forward. All of the anger and divisiveness of a few years ago has disappeared.

We are all together, and I know that as we enter our third century, we have an opportunity through good neighborliness, through dedication to our principles as a country, not only to read history as we can—and it is the history of 200 years—but to make history in our third century, to make the history that our forefathers gave to us as their vision, to make it a reality for us but, more importantly, for our children and our grandchildren.

That is the mission that we have. That is the responsibility that we bear. But we do it because we are proud of America and proud of what it stands for and honored to have, each and every one of us, the opportunity to do for America what we feel so deeply—to make it the reality of the dreams of our forefathers.

Thank you very much.

NOTE: The President spoke at 7:45 p.m. in the Orleans Ballroom at the Marriott Hotel.

985

Radio Address on Peace. *October 28, 1976*

MY SUBJECT today is peace. When President Eisenhower was asked 20 years ago about the goals of his foreign policy, he said, "We are for peace—peace first, last, and always." Today, that remains the central purpose of American foreign policy.

Throughout my time as President, I have shaped our foreign policy according to four basic principles:

First, we have sought to maintain America's unquestioned military strength. One of the most significant achievements of this administration is that, after a decade in which Congress slashed a total of \$50 billion from defense budgets, we reversed that downward trend. And we have finally convinced the Congress to stop shortchanging America's defense. As long as I am President, we will have an Army, Navy, Air Force, and Marine Corps unsurpassed in military capability.

Second, we have tried to maintain and strengthen our friendship with our allies. Those relationships have never been better—a point that was echoed repeatedly as world leaders came to America to share in our Bicentennial celebration.

Third, working from a position of strength, we have sought to reduce tensions in the world and to avert the threat of nuclear holocaust. Early in my administration, I met with Secretary Brezhnev in Vladivostok to begin negotiations to limit nuclear armaments. Today those negotiations are 90 percent complete.

Finally, we have tried to act as leader and as peacemaker in such troubled regions as the Middle East and southern Africa.

The peace that exists today is directly related to our hard work, our strength, and our skillful diplomacy. I am very proud of what we have accomplished. I am very proud to be the first President since Dwight Eisenhower to seek election with America at peace.

This is not a time to weaken our defense, to deny our troops essential new weapons, to undermine European democracies by hinting at new relationships with Communist leaders in Western Europe, to withdraw our troops from South Korea, to upset the balance in the Middle East, or to concede such nations as Yugoslavia to the Soviet sphere.

To preserve the peace, we must be willing to pay the price for a mighty military force.

To preserve the peace, we must be willing to shoulder the burdens of our alliances and friendships.

To preserve the peace, we must be tough-minded and persistent in dealing with our adversaries.

To preserve the peace, we must be true to the ideals of America—to our love of freedom and dignity and justice for all mankind.

These are my goals as your President. With your help, I will continue to pursue those goals for the next 4 years. I will lead this Nation on the path of peace through strength, and we will live in peace and freedom in the United States of America.

NOTE: The President's remarks were recorded for later broadcast over the Mutual Radio Network.

The text of the address was released at Philadelphia, Pa.

986

Statement on the Economic Situation in the United Kingdom.
October 28, 1976

THE UNITED States has the highest confidence in the ability of the United Kingdom to overcome its present economic difficulties. The British Government has taken a number of positive steps. We are further encouraged by Britain's decision to seek a standby agreement with the International Monetary Fund. As I have already stated publicly, the United States will fully support an agreement reached between Britain and the IMF. As a matter of general policy, it is the abiding purpose of the United States to see the United Kingdom as a vigorous member of the European Community, the North Atlantic Alliance, and other international institutions whose goal it is to build a better and safer world.

NOTE: The statement was released at Cincinnati, Ohio.

987

Statement on Nuclear Policy. *October 28, 1976*

WE HAVE known since the age of nuclear energy began more than 30 years ago that this source of energy had the potential for tremendous benefits for mankind and the potential for unparalleled destruction.

On the one hand, there is no doubt that nuclear energy represents one of the

best hopes for satisfying the rising world demand for energy with minimum environmental impact and with the potential for reducing dependence on uncertain and diminishing world supplies of oil.

On the other hand, nuclear fuel, as it produces power also produces plutonium, which can be chemically separated from the spent fuel. The plutonium can be recycled and used to generate additional nuclear power, thereby partially offsetting the need for additional energy resources. Unfortunately—and this is the root of the problem—the same plutonium produced in nuclear powerplants can, when chemically separated, also be used to make nuclear explosives.

The world community cannot afford to let potential nuclear weapons material or the technology to produce it proliferate uncontrolled over the globe. The world community must ensure that production and utilization of such material by any nation is carried out under the most stringent security conditions and arrangements.

Developing the enormous benefits of nuclear energy while simultaneously developing the means to prevent proliferation is one of the major challenges facing all nations of the world today.

The standards we apply in judging most domestic and international activities are not sufficiently rigorous to deal with this extraordinarily complex problem. Our answers cannot be partially successful. They will either work, in which case we shall stop proliferation, or they will fail and nuclear proliferation will accelerate as nations initially having no intention of acquiring nuclear weapons conclude that they are forced to do so by the actions of others. Should this happen, we would face a world in which the security of all is critically imperiled. Maintaining international stability in such an environment would be incalculably difficult and dangerous. In times of regional or global crisis, risks of nuclear devastation would be immeasurably increased—if not through direct attack, then through a process of ever-expanding escalation. The problem can be handled as long as we understand it clearly and act wisely in concert with other nations. But we are faced with a threat of tragedy if we fail to comprehend it or to take effective measures.

Thus the seriousness and complexity of the problem place a special burden on those who propose ways to control proliferation. They must avoid the temptation for rhetorical gestures, empty threats, or righteous posturing. They must offer policies and programs which deal with the world as it is, not as we might wish it to be. The goal is to prevent proliferation, not simply to deplore it.

The first task in dealing with the problem of proliferation is to understand the world nuclear situation.

More than 30 nations have or plan to build nuclear powerplants to reap the benefits of nuclear energy. The 1973 energy crisis dramatically demonstrated to all nations not only the dangers of excessive reliance on oil imports but also the reality that the world's supply of fossil fuels is running out. As a result, nuclear energy is now properly seen by many nations as an indispensable way to satisfy rising energy demand without prematurely depleting finite fossil fuel resources. We must understand the motives which are leading these nations, developed and developing, to place even greater emphasis than we do on nuclear power development. For unless we comprehend their real needs, we cannot expect to find ways of working with them to ensure satisfaction of both our and their legitimate concerns. Moreover, several nations besides the United States have the technology needed to produce both the benefits and the destructive potential of nuclear energy. Nations with such capabilities are able to export their technology and facilities.

Thus, no single nation, not even the United States, can realistically hope—by itself—to control effectively the spread of reprocessing technology and the resulting availability of plutonium.

The United States once was the dominant world supplier of nuclear material equipment and technology. While we remain a leader in this field, other suppliers have come to share the international market—with the U.S. now supplying less than half of nuclear reactor exports. In short, for nearly a decade the U.S. has not had a monopoly on nuclear technology. Although our role is large, we are not able to control worldwide nuclear development.

For these reasons, action to control proliferation must be an international cooperative effort involving many nations, including both nuclear suppliers and customers. Common standards must be developed and accepted by all parties. If this is not done, unrestrained trade in sensitive nuclear technology and materials will develop—with no one in a position to stop it.

We in the United States must recognize that interests in nuclear energy vary widely among nations. We must recognize that some nations look to nuclear energy because they have no acceptable energy alternative. We must be sure that our efforts to control proliferation are not viewed by such nations as an act to prevent them from enjoying the benefits of nuclear energy. We must be sure that all nations recognize that the U.S. believes that nonproliferation objectives must take precedence over economic and energy benefits if a choice must be made.

PREVIOUS ACTION

During the past 30 years, the U.S. has been the unquestioned leader in world-wide efforts to assure that the benefits of nuclear energy are made available widely while its destructive uses are prevented. I have given special attention to these objectives during the past 2 years, and we have made important new progress, particularly in efforts to control the proliferation of nuclear weapons capability among the nations of the world.

In 1974, soon after I assumed office, I became concerned that some nuclear supplier countries, in order to achieve competitive advantage, were prepared to offer nuclear exports under conditions less rigorous than we believe prudent. In the fall of that year, at the United Nations General Assembly, the United States proposed that nonproliferation measures be strengthened materially. I also expressed my concern directly to my counterparts in key supplier and recipient nations. I directed the Secretary of State to emphasize multilateral action to limit this dangerous form of competition.

At U.S. initiative, the first meeting of major nuclear suppliers was convened in London in April 1975. A series of meetings and intensive bilateral consultations followed. As a result of these meetings, we have significantly raised international standards through progressive new guidelines to govern nuclear exports. These involve both improved safeguards and controls to prevent diversion of nuclear materials and to guard against the misuse of nuclear technology and physical protection against theft and sabotage. The United States has adopted these guidelines as policy for nuclear exports.

In addition, we have acted to deal with the special dangers associated with plutonium.

—We have prohibited export of reprocessing and other nuclear technologies that could contribute to proliferation.

—We have firmly opposed reprocessing in Korea and Taiwan. We welcome the decisions of those nations to forego such activities. We will continue to discourage national reprocessing in other locations of particular concern.

—We negotiated agreements for cooperation with Egypt and Israel which contain the strictest reprocessing provisions and other nuclear controls ever included in the 20-year history of our nuclear cooperation program.

—In addition, the United States recently completed negotiations to place its civil nuclear facilities under the safeguards of the International Atomic Energy Agency—and the IAEA has approved a proposed agreement for this purpose.

NEW INITIATIVES

Last summer, I directed that a thorough review be undertaken of all our nuclear policies and options to determine what further steps were needed. I have considered carefully the results of that review, held discussions with congressional leaders, and benefited from consultations with leaders of other nations. I have decided that new steps are needed, building upon the progress of the past 2 years. Today, I am announcing a number of actions and proposals aimed at:

- strengthening the commitment of the nations of the world to the goal of nonproliferation and building an effective system of international controls to prevent proliferation;

- changing and strengthening U.S. domestic nuclear policies and programs to support our nonproliferation goals; and

- establishing, by these actions, a sound foundation for the continued and increased use of nuclear energy in the U.S. and in the world in a safe and economic manner.

The task we face calls for an international cooperative venture of unprecedented dimensions. The U.S. is prepared to work with all other nations.

PRINCIPAL POLICY DECISIONS

I have concluded that the reprocessing and recycling of plutonium should not proceed unless there is sound reason to conclude that the world community can effectively overcome the associated risks of proliferation. I believe that avoidance of proliferation must take precedence over economic interests. I have also concluded that the United States and other nations can and should increase their use of nuclear power for peaceful purposes even if reprocessing and recycling of plutonium are found to be unacceptable.

Vigorous action is required domestically and internationally to make these judgments effective.

- I have decided that the United States should greatly accelerate its diplomatic initiatives in conjunction with nuclear supplier and consumer nations to control the spread of plutonium and technologies for separating plutonium.

Effective nonproliferation measures will require the participation and support of nuclear suppliers and consumers. There must be coordination in restraints so that an effective nonproliferation system is achieved, and there must be cooperation in assuring reliable fuel supplies so that peaceful energy needs are met.

- I have decided that the United States should no longer regard reprocessing

of used nuclear fuel to produce plutonium as a necessary and inevitable step in the nuclear fuel cycle, and that we should pursue reprocessing and recycling in the future only if they are found to be consistent with our international objectives.

We must ensure that our domestic policies and programs are compatible with our international position on reprocessing and that we work closely with other nations in evaluating nuclear fuel reprocessing.

—The steps I am announcing today will assure that the necessity increase in our use of nuclear energy will be carried on with safety and without aggravating the danger of proliferation.

Even with strong efforts to conserve, we will have increasing demands for energy for a growing American economy. To satisfy these needs, we must rely on increased use of both nuclear energy and coal until more acceptable alternatives are developed. We will continue pushing ahead with work on all promising alternatives such as solar energy but now we must count on the technology that works. We cannot expect a major contribution to our energy supply from alternative technologies until late in this century.

To implement my overall policy decisions, I have decided on a number of policies that are necessary and appropriate to meet our nonproliferation and energy objectives.

—First, our domestic policies must be changed to conform to my decision on deferral of the commercialization of chemical reprocessing of nuclear fuel which results in the separation of plutonium.

—Second, I call upon all nations to join us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding such sensitive exports or commitments for a period of at least 3 years.

—Third, new cooperative steps are needed to help assure that all nations have an adequate and reliable supply of energy for their needs. I believe, most importantly, that nuclear supplier nations have a special obligation to assure that customer nations have an adequate supply of fuel for their nuclear powerplants, if those customer nations forego the acquisition of reprocessing and uranium enrichment capabilities and accept effective proliferation controls.

—Fourth, the U.S. must maintain its role as a major and reliable world supplier of nuclear reactors and fuel for peaceful purposes. Our strong position as a supplier has provided the principal basis for our influence and leadership in worldwide nonproliferation efforts. A strong position will be equally important in the future. While reaffirming this Nation's intent to be a reliable supplier,

the U.S. seeks no competitive advantage by virtue of the worldwide system of effective nonproliferation controls that I am calling for today.

—Fifth, new efforts must be made to urge all nations to join in a full-scale international cooperative effort—which I shall outline in detail—to develop a system of effective controls to prevent proliferation.

—Sixth, the U.S. must take new steps with respect to its own exports to control proliferation, while seeking to improve multilateral guidelines.

—Seventh, the U.S. must undertake a program to evaluate reprocessing in support of the international policies I have adopted.

—Finally, I have concluded that new steps are needed to assure that we have in place when needed, both in the U.S. and around the world, the facilities for the long-term storage or disposal of nuclear wastes.

ACTIONS TO IMPLEMENT OUR NUCLEAR POLICIES

In order to implement the nuclear policies that I have outlined, major efforts will be required within the United States and by the many nations around the world with an interest in nuclear energy. To move forward with these efforts, I am today taking a number of actions and making a number of proposals to other nations.

I. Change in U.S. Policy on Nuclear Fuel Reprocessing

With respect to nuclear fuel reprocessing, I am directing agencies of the executive branch to implement my decision to delay commercialization of reprocessing activities in the United States until uncertainties are resolved. Specifically, I am:

—Directing the Administrator of the Energy Research and Development Administration (ERDA) to:

- change ERDA policies and programs which heretofore have been based on the assumption that reprocessing would proceed;
- encourage prompt action to expand spent fuel storage facilities, thus assuring utilities that they need not be concerned about shutdown of nuclear reactors because of delays; and
- identify the research and development efforts needed to investigate the feasibility of recovering the energy value from used nuclear fuel without separating plutonium.

II. Restraint in the Transfer of Sensitive Nuclear Technology and Facilities

Despite the gains in controlling proliferation that have been made, the dangers posed by reprocessing and the prospect of uncontrolled availability of plutonium

require further, decisive international action. Effective control of the parallel risk of spreading uranium enrichment technology is also necessary. To meet these dangers:

—I call upon all nations to join with us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding such sensitive exports or commitments for a period of at least 3 years.

This will allow suppliers and consumers to work together to establish reliable means for meeting nuclear needs with minimum risk, as we assess carefully the wisdom of plutonium use. As we proceed in these efforts, we must not be influenced by pressures to approve the export of these sensitive facilities.

III. Assuring an Adequate Energy Supply for Customer Nations

—I urge nuclear suppliers to provide nuclear consumers with fuel services, instead of sensitive technology or facilities.

Nations accepting effective nonproliferation restraints have a right to expect reliable and economic supply of nuclear reactors and associated, nonsensitive fuel. All such nations would share in the benefits of an assured supply of nuclear fuel, even though the number and location of sensitive facilities to generate this fuel is limited to meet nonproliferation goals. The availability of fuel-cycle services in several different nations can provide ample assurance to consumers of a continuing and stable source of supply.

It is also desirable to continue studying the idea of a few suitably-sited multinational fuel-cycle centers to serve regional needs, when effectively safeguarded and economically warranted. Through these and related means, we can minimize incentives for the spread of dangerous fuel-cycle capabilities.

The United States stands ready to take action, in cooperation with other concerned nations, to assure reliable supplies of nuclear fuel at equitable prices to any country accepting responsible restraints on its nuclear power program with regard to reprocessing, plutonium disposition, and enrichment technology.

—I am directing the Secretary of State to initiate consultations to explore with other nations arrangements for coordinating fuel services and for developing other means of ensuring that suppliers will be able to offer, and consumers will be able to receive, an uninterrupted and economical supply of low-enriched uranium fuel and fuel services.

These discussions will address ways to ensure against economic disadvantage to cooperating nations and to remove any sources of competition which could undermine our common nonproliferation efforts.

To contribute to this initiative, the United States will offer binding letters of

intent for the supply of nuclear fuel to current and prospective customers willing to accept such responsible restraints.

—In addition, I am directing the Secretary of State to enter into negotiations or arrangements for mutual agreement on disposition of spent fuel with consumer nations that adopt responsible restraints.

Where appropriate, the United States will provide consumer nations with either fresh, low-enriched uranium fuel or make other equitable arrangements in return for mutual agreement on the disposition of spent fuel where such disposition demonstrably fosters our common and cooperative nonproliferation objectives. The United States seeks no commercial advantage in pursuing options for fuel disposition and assured fuel supplies.

Finally, the United States will continue to expand cooperative efforts with other countries in developing their indigenous nonnuclear energy resources.

The United States has proposed and continues to advocate the establishment of an International Energy Institute, specifically designed to help developing countries match the most economic and readily available sources of energy to their power needs. Through this Institute and other appropriate means, we will offer technological assistance in the development of indigenous energy resources.

IV. Strengthening the U.S. Role as a Reliable Supplier

If the United States is to continue its leadership role in worldwide nonproliferation efforts, it must be a reliable supplier of nuclear reactors and fuel for peaceful purposes. There are two principal actions we can take to contribute to this objective:

—I will submit to the new Congress proposed legislation that will permit the expansion of capacity in the United States to produce enriched uranium, including the authority needed for expansion of the Government-owned plant at Portsmouth, Ohio. I will also work with Congress to establish a framework for a private, competitive industry to finance, build, own, and operate enrichment plants.

U.S. capacity has been fully committed since mid-1974 with the result that no new orders could be signed. The Congress did not act on my full proposal and provided only limited and temporary authority for proceeding with the Portsmouth plant. We must have additional authority to proceed with the expansion of capacity without further delay.

—I will work closely with the Congress to ensure that legislation for improving our export controls results in a system that provides maximum assurance that the United States will be a reliable supplier to other nations for the full period of agreements.

One of the principal concerns with export legislation proposed in the last Congress was the fear that foreign customers could be subjected to arbitrary new controls imposed well after a long-term agreement and specific contracts for nuclear powerplants and fuel had been signed. In the case of nuclear plants and fuel, reliable long-term agreements are essential, and we must adopt export controls that provide reliability while meeting nonproliferation objectives.

V. International Controls Against Proliferation

To reinforce the foregoing policies, we must develop means to establish international restraints over the accumulation of plutonium itself, whether in separated form or in unprocessed spent fuel. The accumulation of plutonium under national control, especially in a separated form, is a primary proliferation risk.

—I am directing the Secretary of State to pursue vigorously discussions aimed at the establishment of a new international regime to provide for storage of civil plutonium and spent reactor fuel.

The United States made this proposal to the International Atomic Energy Agency and other interested nations last spring.

Creation of such a regime will greatly strengthen world confidence that the growing accumulation of excess plutonium and spent fuel can be stored safely, pending reentry into the nuclear fuel cycle or other safe disposition. I urge the IAEA, which is empowered to establish plutonium depositories, to give prompt implementation to this concept.

Once a broadly representative IAEA storage regime is in operation, we are prepared to place our own excess civil plutonium and spent fuel under its control. Moreover, we are prepared to consider providing a site for international storage under IAEA auspices.

The inspection system of the IAEA remains a key element in our entire non-proliferation strategy. The world community must make sure that the Agency has the technical and human resources needed to keep pace with its expanding responsibilities. At my direction, we have recently committed substantial additional resources to help upgrade the IAEA's technical safeguards capabilities, and I believe we must strengthen further the safeguard functions of the IAEA.

—I am directing the Secretary of State and Administrator of ERDA to undertake a major international effort to ensure that adequate resources for this purpose are made available, and that we mobilize our best scientific talent to support that Agency. Our principal national laboratories with expertise in this area

have been directed to provide assistance, on a continuing basis, to the IAEA Secretariat.

The terrible increase in violence and terrorism throughout the world has sharpened our awareness of the need to assure rigorous protection for sensitive nuclear materials and equipment. Fortunately, the need to cope with this problem is now broadly recognized. Many nations have responded to the initiatives which I have taken in this area by materially strengthening their physical security and by cooperating in the development of international guidelines by the IAEA. As a result of consultations among the major suppliers, provision for adequate physical security is becoming a normal condition of supply.

We have an effective physical security system in the United States. But steps are needed to upgrade physical security systems and to assure timely international collaboration in the recovery of lost or stolen materials.

—I have directed the Secretary of State to address vigorously the problem of physical security at both bilateral and multilateral levels, including exploration of a possible international convention.

The United States is committed to the development of the system of international controls that I have here outlined. Even when complete, however, no system of controls is likely to be effective if a potential violator judges that his acquisition of a nuclear explosive will be received with indifference by the international community.

Any material violation of a nuclear safeguards agreement—especially the diversion of nuclear material for use in making explosives—must be universally judged to be an extremely serious affront to the world community, calling for the immediate imposition of drastic sanctions.

—I serve notice today that the United States will, at a minimum, respond to violation by any nation of any safeguards agreement to which we are a party with an immediate cutoff of our supply of nuclear fuel and cooperation to that nation.

We would consider further steps, not necessarily confined to the area of nuclear cooperation, against the violator nation. Nor will our actions be limited to violations of agreements in which we are directly involved. In the event of material violation of any safeguards agreement, particularly agreements with the IAEA, we will initiate immediate consultations with all interested nations to determine appropriate action.

Universal recognition of the total unacceptability of the abrogation or violation of any nonproliferation agreements is one of the most important steps which can be taken to prevent further proliferation. We invite all concerned

governments to affirm publicly that they will regard nuclear wrongdoing as an intolerable violation of acceptable norms of international behavior, which would set in motion strong and immediate countermeasures.

VI. *U.S. Nuclear Export Policies*

During the past 2 years, the United States has strengthened its own national nuclear export policies. Our interests, however, are not limited to controls alone. The United States has a special responsibility to share the benefits of peaceful nuclear energy with other countries. We have sought to serve other nations as a reliable supplier of nuclear fuel and equipment. Given the choice between economic benefits and progress toward our nonproliferation goals, we have given, and will continue to give priority to nonproliferation. But there should be no incompatibility between nonproliferation and assisting other nations in enjoying the benefits of peaceful nuclear power if all supplier countries pursue common nuclear export policies. There is need, however, for even more rigorous controls than those now commonly employed, and for policies that favor nations accepting responsible nonproliferation limitations.

—I have decided that we will henceforth apply new criteria in judging whether to enter into new or expanded nuclear cooperation:

- Adherence to the nonproliferation treaty will be a strong positive factor favoring cooperation with a nonnuclear weapon state.
- Nonnuclear weapons states that have not yet adhered to the nonproliferation treaty will receive positive recognition if they are prepared to submit to full fuel cycle safeguards, pending adherence.
- We will favor recipient nations that are prepared to forego, or postpone for a substantial period, the establishment of national reprocessing or enrichment activities or, in certain cases, prepared to shape and schedule their reprocessing and enriching facilities to foster nonproliferation needs.
- Positive recognition will also be given to nations prepared to participate in an international storage regime, under which spent fuel and any separated plutonium would be placed pending use.

Exceptional cases may occur in which nonproliferation will be served best by cooperating with nations not yet meeting these tests. However, I pledge that the Congress will not be asked to approve any new or amended agreement not meeting these new criteria unless I personally determine that the agreement is fully supportive of our nonproliferation goals. In case of such a determination, my reasons will be fully presented to the Congress.

—With respect to countries that are current recipients of U.S. nuclear supply, I am directing the Secretary of State to enter into negotiations with the objective of conforming these agreements to established international guidelines, and to seek through diplomatic initiatives and fuel supply incentives to obtain their acceptance of our new criteria.

We must recognize the need for effective multilateral approaches to nonproliferation and prevent nuclear export controls from becoming an element of commercial competition.

—I am directing the Secretary of State to intensify discussions with other nuclear suppliers aimed at expanding common guidelines for peaceful cooperative agreements so that they conform with these criteria.

In this regard, the United States would discuss ways of developing incentives that can lead to acceptance of these criteria, such as assuring reliable fuel supplies for nations accepting new restraints.

The reliability of American assurances to other nations is an asset that few, if any, nations of the world can match. It must not be eroded. Indeed, nothing could more prejudice our efforts to strengthen our existing nonproliferation understandings than arbitrary suspension or unwarranted delays in meeting supply commitments to countries which are dealing with us in good faith regarding effective safeguards and restraints.

Despite my personal efforts, the 94th Congress adjourned without passing nuclear export legislation which would have strengthened our effectiveness in dealing with other nations on nuclear matters.

—In the absence of such legislation, I am directing the Secretary of State to work closely with the Nuclear Regulatory Commission to ensure proper emphasis on nonproliferation concerns in the nuclear export licensing process.

I will continue to work to develop bipartisan support in Congress for improvements in our nuclear export laws.

VII. Reprocessing Evaluation Program

The world community requires an aggressive program to build the international controls and cooperative regimes I have just outlined. I am prepared to mount such a program in the United States.

—I am directing the Administrator of ERDA to:

- Begin immediately to define a reprocessing and recycle evaluation program consistent with meeting our international objectives outlined earlier in this statement. This program should complement the Nuclear Regulatory Commission's (NRC) ongoing considerations of safety safeguards and environ-

mental requirements for reprocessing and recycling activities, particularly its Generic Environmental Statement on Mixed Oxide Fuels.

- Investigate the feasibility of recovering the energy value from used nuclear fuel without separating our plutonium.

—I am directing the Secretary of State to invite other nations to participate in designing and carrying out ERDA's reprocessing and recycle evaluation program, consistent with our international energy cooperation and nonproliferation objectives. I will direct that activities carried out in the U.S. in connection with this program be subjected to full IAEA safeguards and inspections.

VIII. *Nuclear Waste Management*

The area of our domestic nuclear program dealing with long-term management of nuclear wastes from our commercial nuclear powerplants has not in the past received sufficient attention. In my 1977 Budget, I proposed a fourfold increase in funding for this program, which involves the activities of several Federal agencies. We recently completed a review to determine what additional actions are needed to assure availability in the mid-1980's of a federally-owned and managed repository for long-term nuclear wastes, well before significant quantities of wastes begin to accumulate.

I have been assured that the technology for long-term management or disposal of nuclear wastes is available but demonstrations are needed.

—I have directed the Administrator of ERDA to take the necessary action to speed up this program so as to demonstrate all components of waste management technology by 1978 and to demonstrate a complete repository for such wastes by 1985.

—I have further directed that the first demonstration depository for high-level wastes which will be owned by the Government be submitted for licensing by the independent NRC to assure its safety and acceptability to the public.

In view of the decisions announced today, I have also directed the Administrator of ERDA to assure that the waste repository will be able to handle spent fuel elements as well as the separated and solidified waste that would result if we proceed with nuclear fuel reprocessing.

The United States continues to provide world leadership in nuclear waste management. I am inviting other nations to participate in and learn from our programs.

—I am directing the Secretary of State to discuss with other nations and the IAEA the possibility of establishing centrally located, multinationally controlled nuclear waste repositories so that the number of sites that are needed can be limited.

INCREASED USE OF NUCLEAR ENERGY IN THE UNITED STATES

Even with strong conservation efforts, energy demands in the United States will continue to increase in response to the needs of a growing economy. The only alternative over the next 15 to 20 years to increased use of both nuclear energy and coal is greater reliance on imported oil which will jeopardize our Nation's strength and welfare.

We now have in the United States 62 licensed nuclear plants, providing about 9 percent of our electrical energy. By 1985, we will have from 145 to 160 plants, supplying 20 percent or more of the Nation's electricity.

In many cases, electricity from nuclear plants is markedly cheaper than that produced from either oil or coal-fired plants. Nuclear energy is environmentally preferable in a number of respects to other principal ways of generating electricity.

Commercial nuclear power has an excellent safety record, with nearly 200 plant-years of experience (compiled over 18 chronological years) without a single death from a nuclear accident. I have acted to assure that this record is maintained in the years ahead. For example, I have increased funds for the independent Nuclear Regulatory Commission and for the Energy Research and Development Administration for reactor safety research and development.

The decisions and actions I am announcing today will help overcome the uncertainties that have served to delay the expanded use of nuclear energy in the United States. While the decision to delay reprocessing is significant, it will not prevent us from increasing our use of nuclear energy. We are on the right course with our nuclear power program in America. The changes I am announcing today will ensure that we continue.

My decisions today do not affect the U.S. program of research and development on the breeder reactor. That program assumes that no decision on the commercial operations of breeder reactors, which require plutonium fuel, will be made before 1986.

CONCLUSION

I do not underestimate the challenge represented in the creation of a world-wide program that will permit capturing the benefits of nuclear energy while maintaining needed protection against nuclear proliferation. The challenge is one that can be managed only partially and temporarily by technical measures.

It can be managed fully if the task is faced realistically by nations prepared to forego perceived short-term advantages in favor of fundamental long-term

gains. We call upon all nations to recognize that their individual and collective interests are best served by internationally assured and safeguarded nuclear fuel supply, services, and storage. We ask them to turn aside from pursuing nuclear capabilities which are of doubtful economic value and have ominous implications for nuclear proliferation and instability in the world.

The growing international consensus against the proliferation of nuclear weapons is a source of encouragement. But it is certainly not a basis for complacency.

Success in meeting the challenge now before us depends on an extraordinary coordination of the policies of all nations toward the common good. The United States is prepared to lead, but we cannot succeed alone. If nations can work together constructively and cooperatively to manage our common nuclear problems, we will enhance our collective security. And we will be better able to concentrate our energies and our resources on the great tasks of construction rather than consume them in increasingly dangerous rivalry.

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Radio Address on Crime. *October 29, 1976*

I WANT to talk with you this morning about one of the greatest concerns of this campaign. The issue is crime.

For too long, the fear of crime has cast its ominous shadow on the streets of America. For too long, the conscientious efforts of law enforcement officers throughout America have been compromised by a system of “revolving-door” justice and by a lack of adequate community involvement in crime prevention. For too long the rights of the victims of crime have not had the same protection as the rights of the criminal defendants.

During the past 2 years we have begun to make headway against crime in America. In 1974 the crime rate increased by 18 percent. Last year the increase was down to 9 percent. And for the first 6 months of this year, the increase in the overall crime rate was only 3 percent. The incidence of violent crime—murder, rape, robbery, and aggravated assault—actually went down.

This is real progress, not just because of the statistics but because Americans are beginning to feel safer in their own neighborhoods and on the streets of our cities.

The role of the Federal Government in law enforcement is limited. We do not have a national police force, and we don’t want one. But the Federal Gov-

ernment can serve as a model for law enforcement efforts at the State and local level. My administration is setting a good example.

First, I have proposed a comprehensive revision of the Federal Criminal Code to replace the overlapping, contradictory, and outdated statutes now on the books.

Second, I have proposed strict, automatic prison sentences for those convicted of such Federal crimes as hijacking and kidnaping and for those who use a gun or other dangerous weapon in the commission of a crime.

Third, I have proposed unprecedented funding for the Federal Government's Law Enforcement Assistance Administration, which provides equipment and training for local police officers.

Fourth, I have proposed tougher laws against drug pushers, for example, permitting judges to deny bail for defendants with a prior criminal record and imposing mandatory sentences for convicted pushers.

Fifth, I have proposed increasing the number of Federal judges to relieve the crowding of court dockets and to reduce the delay in bringing criminal cases to trial.

Sixth, I have recommended four new Federal prisons to relieve overcrowded or inhumane conditions in our penal system and to give judges no reason to keep convicted criminals out of jail.

Seventh, I have initiated a career criminal program in 12 key cities throughout America, and it will be 100 cities by 1978. This program, which began last year, identifies habitual criminals, sets up special prosecution procedures, and in 95 percent of the cases, results in conviction and in prison sentences that average more than 20 years.

We have also established a Public Integrity Section within the Justice Department to discover and prosecute official corruption. Furthermore, my administration is now devoting more resources to combat white collar crime than any other administration in history.

Most important, I have asked for a new, active spirit of cooperation from you, the American people, to help us defeat our common enemy—crime.

I have promised America a new generation of freedom: the freedom to walk the streets in safety, to be secure in our homes and neighborhoods, to trust the honesty and integrity of public officials.

On July 4 we celebrated the first 200 years of America's history. On November 2, with your help, we will begin a new generation of freedom for all Americans.

NOTE: The President's remarks were recorded for later broadcast over the Mutual Radio Network.

The text of the address was released at Cleveland, Ohio.

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Remarks in Milwaukee at the Annual Meeting of the Wisconsin Education Association. *October 29, 1976*

THANK YOU very, very much, Paul duVair. It's wonderful to be back in Wisconsin to see some of my old very dear friends, Congressman Bob Kasten, former Governor Warren Knowles, and an old friend of mine in my political party, Ody Fish.

But it's a very special privilege and pleasure for me, if I might have the dispensation, to introduce to all of you a very dear friend of mine who is also a great and longstanding friend and supporter of education. I take the pleasure of introducing her because she served as a Member of the House of Representatives with me for 19 years. She was on the other side of the aisle. She was a very formidable person in debate. I always did better when she was on my side. But let me assure you there was never a more knowledgeable, more dedicated person in the field of education than the former Democratic Member of the House of Representatives, Edith Green. Edith is here some place. Right here.

Naturally, I am very pleased and proud that she, having retired voluntarily from the Congress 2 years ago, is now serving as a valuable contributor to my campaign. But I think it is interesting to note that she served on the House Committee on Education and Labor and was chairman of the Subcommittee on Postsecondary Education. And it's also of some consequence to note that she received both the Oregon and the NEA [National Education Association] Citizens Award. So, you know Edith is real quality.

But I am honored to appear before the Wisconsin Education Association Council, a distinguished group of professional teachers, to discuss a subject of vital importance to all of us and to the Nation—America's schools.

We in America have, from our very earliest days, developed an educational system as significant and as revolutionary as our political structure. Educational opportunity for all citizens was a crucial part of the vision which our Nation's founders had. They knew that ignorance and freedom could not coexist.

Education is now the Nation's number one business. Today, 60 million Americans attend school: 10 million in postsecondary education and 50 million in elementary and secondary schools. Over 2½ million Americans are school teachers and school administrators.

More money is spent on education in America than any other single governmental endeavor. In all, America is making a huge investment in quality

education, and American taxpayers expect a substantial return for their investment.

My administration shares their expectation and their concern in America's continuing and striving to be the world's finest. No other sphere of activity is so closely bound to the lives of all Americans. The strength of our political system is dependent on educated, sovereign people.

Early generations of Americans looked upon education as a cherished privilege, a steppingstone to a successful and a happy life. Our schools, our colleges educated millions of immigrant children who spoke no English when they arrived on our shores. These people and their descendants valued education above all. To them, self-discipline was both essential and natural. If self-discipline was missing, then imposed discipline in the home and the school was accepted as reasonable and proper.

Today, these attitudes have eroded. Education, particularly in America's urban centers, has been inundated by a barrage of social problems. Schools are facing a litany of ills—drugs, disruption, violence that victimizes both teachers and students, increased racial tensions, and the excessive demands for schools to be all things to all people.

In the midst of all of this, it is not surprising that education and our children suffer. Headlines, if not personal family experiences, tell us that crime in the schools is a very serious problem. The National Education Association reports that over the past few years, there has been a dramatic increase in school crime and school violence.

Some of today's parents say teachers must understand our children better. I say it is hard for a teacher to understand a student who is threatening him or her with a knife. No teacher should be subject to physical or verbal assault by students, nor should any teacher be fearful of physical abuse by undisciplined students—and I add this with emphasis—nor by the undisciplined parents of those students.

We can, and I honestly think that we must, keep the schoolrooms of America places to learn, to uplift, to move forward. If our schools fail, we fail; and if they succeed, we succeed.

The heart of America's education system, the key to success or failure for the millions of students sitting in classrooms, is not buildings or dollars spent. The key is the classroom teacher. All of us, as individuals and collectively as a nation, owe much, a very great deal, to our teachers during our lifetime.

Who among us does not recall the impact made on his or her life by that very special teacher? I could recite a number in my own lifetime who have con-

tributed very significantly to whatever circumstances or success that I have had, and I value their contributions very deeply.

Our teachers, our schools have made it possible for the United States to lead the world in science and technology, in medicine, in agricultural production, and in space exploration. With all of the problems, our teachers still have given us the best educated youngsters in the world today, and I congratulate all of you for that accomplishment.

But how can we help our teachers meet the awesome demands of the future? How can we channel more of the \$130 billion now spent on education each year into classrooms to benefit our children and avoid the bureaucratic snarls that somehow seem to plague too many school systems?

In the past decade, America has responded to the problems of education with a variety of Federal programs designed to meet specific needs through assistance to State and local school agencies. Each new program was aimed at educational problems of particular segments of our population. As a result, the proliferation of narrow, categorical programs has reached a point, really a crescendo, where it is causing confusion, duplication and, I think, unnecessary waste.

Local citizens and administrators are buried under an avalanche of paperwork, generated by no less than 110 separate and frequently overlapping Federal aid to education programs, and we have got to do something about it.

My administration will not try to out-promise or out-bid the opposition. You know that every new program has its price, and every politician who promises new programs has an obligation to say how much it will cost and who will pay for it. You are too sophisticated, too experienced, too knowledgeable to simply throw your weight to the highest bidder. I owe you more than an auction for Federal education dollars. I am working for meaningful, much needed reform in Government's whole approach to educational assistance.

As President, the first piece of legislation that I signed back in August of 1974, over 2 years ago, was the Omnibus Education Act. It improved the distribution of Federal education funds; it unclogged, to some extent, the administration of Federal education programs. This was a distinct move in the right direction, but in a major proposal that I sent to the Congress in March of this year, I urged the further consolidation of Federal educational programs in the interest of service to local schools, effective administration, and bona fide economy.

Under my proposal, 24 categorical grants would be consolidated into a single block grant program. The States and the communities, not some faceless

bureaucrat in Washington, would decide how this money would best be spent to help their students and their teachers do a better job.

It was interesting in this past year since that proposal was made, that all or most of the State educational heads, or whatever their precise title might be, agreed with the proposal, because they felt that was a far more effective way—with infinitely less redtape—to get that money for elementary and secondary education from the Federal Government right at the local level.

I am optimistic that with the year that we will have had to educate people who want the job done, that we can convince the next Congress that this is the way to take whatever the funds are that the Federal Government makes available and get it to the source where we want the job done as quickly, as economically, and as effectively as possible.

Now, in spite of my conviction that Federal spending must be held in check—and just about a year ago that was a tough decision that I had to make—I have, because of my strong personal dedication to America's schools, urged that Federal assistance be increased for the current fiscal year. The block grant program that I mentioned a moment ago calls for the increase in spending in each of the 3 fiscal years after its enactment.

As I said a moment ago, I am optimistic that that consolidation program will be accepted by the Congress with the kind of increases that I think can be justified, and will be extremely helpful in solving some of the local and even the State financial problems involving schools.

When I spoke at Ohio State—and you know, somebody from Michigan who gets invited to speak at a commencement at Ohio State, you never forget the experience—[*laughter*]*—and they treated me better as a commencement speaker than they treat the Michigan football teams from time to time—[laughter]*—but when I was at Ohio State 2 years ago, I urged that the transition from the world of education to the world of work, a very crucial juncture in the life of every individual, be explored by the most knowledgeable people in the field of education.

I said at that time, the Nation needs new ways to bring the world of work and institutions of education closer together. The response from the education and business communities has been more than heartening. The U.S. Office of Education, the Departments of Labor and Commerce, private business and industry have responded to my challenge in a very encouraging way. In the past 2 years, scores of programs have been developed to help high school students prepare for worthwhile occupations while completing their education. These developments are new and really exciting. They are innovative, and they are a fine example of

Government as a helpful servant rather than a meddling master in the area of education.

American schools have met and overcome many challenges in our Nation's first two centuries. Today, we have a civilization which has reached unparalleled heights of material well-being, a civilization that has uncovered many of the secrets of the physical world. But even more important are our moral and intellectual values—the elements that constitute the very essence of civilization.

A Gallup poll earlier this year reported—and I quote: “The public is overwhelmingly in favor of instruction in morals and moral behavior in the Nation's public schools.” Many years ago, a great President, President Theodore Roosevelt, put it much more dramatically. He said, and I quote: “To educate a man in mind and not in morals is to educate a menace to society.” I wholeheartedly agree.

Unfortunately, too many citizens are uninformed or, worse, unconcerned about the workings of their government. Too many young Americans are graduating from our schools with a feeling that the law is a threat and that government is an enemy. Too many are cynical; too many don't care.

We cannot uphold our society's system of values by simply lecturing our children that it is good. We can only assure its future by educating our children to be aware of and to respect its strengths and, at the same time, give them the knowledge and the incentive to correct its faults. Only then will they understand why America's moral values must be preserved, even though our society constantly changes. Only then will they understand that truth, equity, and justice are more than mere words, but a way of life.

Meeting the educational challenges of America's third century must not be the responsibility of educators and teachers alone. They cannot and must [not] be called upon to assume the burden of curing all of society's ills singlehandedly. It must be a cooperative effort by parents, school board members, teachers, religious leaders, government officials, businessmen, labor leaders—every single one of us.

We do face great problems in America today. Overcoming them requires more than dollars, more than technology, more than programs. We need a belief in ourselves. We need the will, the education, the discipline to take action.

Let us take a new look at ourselves in America. Let us see a constructive partnership between the education community and the rest of our society. Let us seek the highest standards in every aspect of American life.

As Daniel Webster once wrote, and I quote: “If we work upon marble, it will perish. If we work upon brass, time will efface it. If we rear temples, they will crumble to dust. But if we work upon men's immortal minds, if we imbue

them with high principles, with a just fear of God and love of our fellow men, we engrave on those tablets something which no time can efface and which will brighten and brighten to all eternity.”

Thank you very much.

NOTE: The President spoke at 9:10 a.m. at the Mecca Auditorium. In his remarks, he referred to Paul duVair, president of the association, and Ody J. Fish, Wisconsin Republican national committeeman.

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Remarks at a Ford-Dole Committee Reception in Milwaukee. October 29, 1976

THANK YOU. It's wonderful to be in Milwaukee. It's wonderful to be with all you great Badgers.

When I left Kansas City, I said we would not concede a single vote and we would not concede a single State. We don't, and we expect to win Wisconsin.

I want to express my deep appreciation to all of the people, whether they were in one part of the Republican Party or the other part of the Republican Party or some other area. I appreciate very deeply the unification and the joint effort that is being made in the great State of Wisconsin, so that we can go forward together for a victory on November 2.

I was going to tell Ody and Warren ¹ later today and ask them to express it to you, but I see so many nice people here I'm going to do it myself—[*laughter*—I'm going to invite every one of you to come down January 20 and be there for the inauguration of Jerry Ford.

I do want to express my deep appreciation and gratitude to Bob Kasten and Bill Steiger, who have just been extremely helpful. I need them down there. You need them down there. We just need to add a few more to the Wisconsin delegation.

I would like to make one or two comments that I think might be helpful to you as you work in the next 4 days—we are in the countdown period—to convince those Independents and those Democrats that they ought to join with us in what really has become a crusade.

I was so pleased at the tremendous outpouring of warmth and friendship of the crowd outside of the hotel here. Just wonderful, but it's indicative of what we are finding all over America.

¹ Ody J. Fish, Wisconsin Republican national committeeman, and Warren P. Knowles, Governor of Wisconsin 1965–71 and Wisconsin President Ford committee chairman.

More and more Americans are realizing the great change that has taken place since August of 1974. We were in troubled times. People were mad at each other. They were divided. They had lost faith in America. There was a lack of faith in the White House itself. Inflation was over 12 percent. We were on the brink of the worst recession in 40 years. We were still involved in Vietnam. It was a troubled time for America. We were in turmoil.

But what we tried to do was to put the ship on an even keel and steer a steady course. And gradually, we have turned the economy around. Inflation is less than 6 percent. We have added 4 million jobs. Instead of a recession, we are moving toward a strong, healthy economy. We are out of Vietnam. And I am proud to say to you—and you should say it to everybody—this administration has no young Americans fighting or dying on foreign soil.

And you can go to the high schools and colleges today and say to every young man, you aren't faced with selective service. We have an all-volunteer military force, a military force of 2,100,000 that is well-trained, well-equipped, well-led, a force that is number one. And under President Ford, we are going to keep it number one.

My opponent wants to cut a minimum of \$5 to \$7 billion out of the defense program. You can't negotiate with our adversaries, you can't strengthen our allies if you are going to have a weaker U.S. military force. We have to stay strong to be at peace, and under my administration, with strength and diplomatic skill, we are going to stay at peace and get our third century kicked off in the right way for our young people, for America, for all mankind.

One other point. As I said, we are moving so that we are getting, I think, a healthy and strong economy. It's not as good as we would like it, but the remedies that we recommended Congress finally approved in part. But the remedy that we must have for the next 4 years is a restraint on Federal spending, so that we, in good conscience, can say to the American people, you can have another tax reduction.

Last year I recommended to the Congress that we increase the personal exemption from \$750 to \$1,000. That's meaningful. Let me illustrate it. I was in a plant the other day and one of the workers in the plant said, "Well, what are you doing about my taxes?" I said, "Well, how many children do you have?" He said, "I have three; a man and wife." I said, "If Congress had been responsible, we could have given to you, when you make out your income tax return next April—you would have had a \$1,250 increase in your personal exemptions." But Congress didn't act. I think it was wrong. I think it was irresponsible. But that recommendation from me is going to be on their desk in January of next

year. And if they don't pass it in 1977, it will be on their desk in 1978, and if they don't pass it then, we will go out and beat them in 1978.

The middle-income taxpayer has been shortchanged too long under the Federal tax system. But at the same time, if we are going to create jobs, we have to give industry an incentive. So, coupled with this increase in the personal exemption, I think we have to give some tax relief in the corporate income tax so they will have the wherewithal to expand, to build new plants, to provide those jobs—and we have 2 to 2½ million young people coming into the labor market every year, and we can't have a stagnant economy if we are going to provide those young people with jobs.

Now, my opponent wants to take care of the unemployment by dead-end, taxpayer-financed jobs. I am against it. I am for the free enterprise system.

Thank you all very, very much. Wisconsin is crucial, Wisconsin is critical. If we carry Wisconsin, we are in. So what your job is, is to maximize what you have done. We have been grateful for what you have achieved, but boy, it is like the last quarter of the big game, and this is big because it determines America's course, America's direction in the next 4 years.

Thank you. I want your help. Let's maximize it, and Wisconsin be in favor of a Wolverine.

Thank you.

NOTE: The President spoke at 9:54 a.m. in the Monarch Room at the Marc Plaza Hotel.

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Exchange With Reporters on Arrival at St. Louis, Missouri. *October 29, 1976*

GOOD MORNING. It's nice to be here with Jack Danforth and Gene McNary. And it's great to be back and have the memories of that last visit with the tremendous crowd we had. What was it—35,000, 40,000? So it's a pleasure to be in St. Louis, Missouri, and to make certain that Missouri goes for Jack—which there is no question, I guess—and Kit Bond, myself, and the rest of the ticket.

I would be glad to answer a question or two.

REPORTER. Mr. President, what's your reaction to the decline in the leading economic indicators for the second month in a row?

THE PRESIDENT. We did expect some falling-off because of the pause, but on the other hand, we are very encouraged by the tremendous increase in housing

starts for the second month in a row. We are very impressed with the fact that several surveys show that consumer confidence is in good shape.

We think that as we move ahead in the fourth quarter—and we're in the fourth quarter now—there will be good results by the end of this quarter.

Q. Mr. President, have you approved the sale of computers to China that would be useful in its defense—you or your administration?

THE PRESIDENT. I approved the sale of computers on the recommendation of the Department of Defense, on the recommendation of the National Security Council, and on the recommendation of the Department of Commerce. They all approved them, and they are not related to any defense capability as far as the PRC [People's Republic of China] is concerned.

Q. Why didn't you make it public, Mr. President? Why did this have to be revealed by reporters? You say you have an open administration.

THE PRESIDENT. I can't give you the answer. I signed it. I assumed that it was part of a regular process. There was no question about it. The Department of Defense recommended it; the Department of Commerce recommended it; the NSC recommended it. These particular computers had no relationship whatsoever to our national security.

Q. Mr. President, could you tell us why you called Senator Dole at 5 a.m., as reported from Denver?

THE PRESIDENT. I was going to have a busy day, as you knew, and I wanted to make sure that I said hello to him and wished him well and urged him to keep up the good work. It was just 7 o'clock our time and, as you know, we were about to take off. That was the most opportune moment for me to give him a call.

Q. How will the drop in economic indicators affect the campaign?

THE PRESIDENT. I think the American people know that we made very significant progress in the battle against inflation. The latest figures show that the cost of living has gone up at the rate of 4.4 percent, which was considerably less than the 12 percent inflation that I inherited, so that we have made almost a two-thirds successful battle in winning the war against inflation.

So as long as we are winning the battle against inflation, I think the American people will think that is a significant gain, and it will be reflected in the campaign.

REPORTER. Thank you, very much.

THE PRESIDENT. Thank you all very much.

NOTE: The exchange began at 11:52 a.m. at Lambert Field. In his remarks, he referred to John C. Danforth, attorney general of Missouri, Gene

McNary, chairman of the St. Louis County President Ford Committee, and Governor Christopher S. (Kit) Bond of Missouri.

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Statement on Proposed Administration Program To Aid Older Americans. *October 29, 1976*

ONE OF the major concerns of my administration during the next 4 years will be to help provide conditions under which older Americans can continue to live secure and fulfilling lives.

We all owe a debt to our older citizens. They are the ones who built our economy and established the moral bases on which our country has grown. We must not let them down.

First of all we must make sure that they can look forward to futures that are economically secure. But even more important than that, we must see to it that we continue to have a society and a country of which our older citizens can be proud. That, above all, is the reward that they ask.

I am proposing a specific program to help provide the foundation on which older Americans can continue to build constructive lives.

First, I will work with the next Congress to enact a catastrophic insurance plan for older Americans so that never again will the savings of a lifetime be wiped out through a single illness. Under this plan, medical and hospital costs will never rise above \$750 in a single year.

Second, I will call on the next Congress to assure the integrity of the social security system. Social security benefits are rights that have been earned by retired workers and their families. The Federal Government is legally and morally bound to make sure that the fund is secure. But because of the rise in the cost of living, the social security fund is now paying out more than it takes in. It is therefore essential to the security of retired citizens, both now and in the future, that we raise the level of the fund to the point at which it will meet projected costs.

Third, I will continue to check the rise in Federal spending in order to keep the inflation rate going down. Inflation hits hardest at our older citizens, many of whom are living on retirement incomes. If we devalue their dollars, we are robbing them of savings and pension benefits that they built up through years of labor.

Fourth, I will call on the next Congress to enact my anticrime package, which will help protect the security of our streets and homes. Legislation that I have placed before Congress will provide tougher sentencing procedures

for drugpushers, hijackers, kidnapers, and lawbreakers who use dangerous weapons in the commission of their crimes.

Fifth, I will continue to include representative older Americans on advisory councils related to Federal consumer protection programs.

Sixth, I will launch a program for neighborhood revitalization, to direct Federal urban programs to protect and restore the quality of life in the urban neighborhoods in which many of our older citizens live.

Of course, in a larger sense, the entire Ford program is a program for older Americans—because its purpose is to build a peaceful, prosperous, secure America—the objective which older Americans share with all other citizens.

NOTE: The statement was released at St. Louis, Mo.

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Remarks in St. Louis, Missouri. *October 29, 1976*

THANK YOU very, very much, Jack Danforth. May I say at this point, nothing would make me happier than to have Jack Danforth as your next United States Senator. You need Jack Danforth, and I need him, so let's go work and make sure he's elected November 2.

It's great to be back in Missouri, to have the opportunity of being in a State so wonderfully handled by your fine, fine Governor, Kit Bond, and his very, very able Lieutenant Governor, Bill Phelps.

I am indebted, of course, to your good friend and mine, Gene McNary. Gene, thank you. But there are two wonderful people here who have made extraordinary efforts. Peter Graves has been your master of ceremonies. Peter, thank you very, very much; and one of my alltime favorites, Al Hirt. Al, thank you.

A very dear friend of mine and a great person who was born and brought up right here in St. Louis has been traveling with me for the last 10 days. Unfortunately, he had a prior commitment that prevented him from coming here to St. Louis. But I have gotten to know, I think, one of the most fabulous people in this whole country. Do any of you remember of the name of Joe Garagiola?

Joe has taken about 10 days of his time and is out campaigning on behalf of Jerry Ford and Bob Dole. The other day we were flying from someplace to someplace, and Joe and I were sitting and I was listening to those wonderful stories that he tells about baseball. I was a rookie baseball player that never made

it. Joe was telling of not only some baseball stories, and then we got to talking about St. Louis, and he was telling how he was brought up here in a wonderful Italian neighborhood.

"Today," Joe said, "I can't be with you, but will you say hello to Father Saul Paulevy for me," who did such a wonderful job in retaining the character and the integrity of that neighborhood where Joe was brought up. So, I say to you on behalf of Joe Garagiola: "Hi."

But we have some awfully fine congressional candidates here that I would like to recognize. We want Jack Danforth in the United States Senate, but we also—and this is very important—want Joe Badarocco in the House of Representatives. We sure would like Joe Frappier in the House of Representatives. Bob Witherspoon would be very helpful. Then I know you have a first-class candidate in Bob Snyder. Let's make sure that Missouri makes that kind of an affirmative contribution to a better Congress that will be sworn in on January 3.

Now, if I could take just a few minutes to express my deepest appreciation for this tremendous gathering here in front of the old courthouse, and to indicate to you that I have kept the pledge that I made when we left Kansas City. I said I would campaign every State, I would not concede a single vote, I would not concede a single State. And the net result is, we have campaigned the length and the breadth of this country. We were 33 points behind in August, and right now we have the momentum, and we are going to win on November 2.

Let me extend an invitation on behalf of Betty and myself to all of you—all of you, even some of those good Carter people out there—[*laughter*—I extend an invitation to every one of you to come to Washington on January 20 and see Jerry Ford and Bob Dole inaugurated President and Vice President.

Let me tell you why we are going to win. Take just a minute to refresh your memory back to August of 1974. We had a troubled country. America was in turmoil. People were mad and angry with one another. They had lost their faith in, actually, our government. We were suffering inflation of over 12 percent. We were on the brink of the worst economic recession in 40 years. We were still involved in a tragic war in Vietnam.

I became President on August 9. It wasn't a happy day, but I had faith in the American people, I had faith in our form of government, and I decided that we had to keep the ship of state on an even keel, that we had to set a steady and firm course. You know, because our people responded—all of you in St. Louis and Missouri, all over the country—you rejoined me in that faith, that trust, that confidence.

Today, I think the American people, whether they agree with me on every issue, believe that the man in the White House can be trusted, that confidence has been restored in the Oval Office.

But we have also made great progress. Instead of inflation at 12 percent, the latest figures are 4.4 percent. That's headway. Yes, we had a recession. Unemployment was too high; employment was dropping. But again, the American people recognized that quick fixes and phony programs are not the solution, are not the solution to make America healthy and prosperous. And because we moved steadily and progressively forward, today we have 4 million more people working than we had 18 months ago, and that is progress.

We have 88 million people working in America, an alltime high. But I make a pledge to you. I am not satisfied with the unemployment we still have, but I will promise you that President Jerry Ford will not be satisfied until every person who wants a job has a job, period.

But I am also very, very proud to say—and look each and every one of you in the eye and say—isn't this great that there is not a single young American fighting or dying on foreign soil today? And we are at peace because America is number one militarily, and we are going to stay that way under President Ford. We are not going to cut and slash and gut the Defense Department. We want the Army, the Navy, the Air Force, and Marines to have the kind of military hardware so that they can deter aggression, that they can protect our national security, that they can give to the President the kind of strength that makes it possible for him to negotiate from strength with our adversaries, and to stand with our allies, and put together this free world so it can stand against aggression and stand for freedom and liberty for all people throughout the world.

As I look around this great audience, there are some wonderful people here, and I suspect most of you fall in what is called the middle-income class. You should be proud of that. We are proud that America has a middle-income class, because they are the strength, the real life-blood of American society. But the middle-income people in the last 10 years have been shortchanged under Federal taxes. Last January, I made a proposal to the Congress that would have remedied that situation. I recommended that the Congress increase the personal exemption from \$750 to \$1,000. That's a one-third increase.

And I was out to a factory the other day talking to some people, and one of the men said, "Well, what would that do to me if Congress passed it?" I said, "How many kids do you have?" He said, "I have three." So, it turns out to be a

family of five. I said, "If Congress had been smart enough they would have done what President Ford recommended, and then next April when you have to fill out your income tax return, you would have had \$1,250 more in personal exemption."

Well, the Congress was irresponsible, unresponsive, and they didn't do it. Next January, I am going to put that same proposal on their desk, and if they don't pass it, I will put it on their desk the next January, in 1978, and if they don't pass it then, will you help me beat them in the next election in 1978?

The best tax reform that I know is tax reduction, and the kind of a tax reduction program I recommended is meaningful. It will help 50 percent of the American taxpayers when they need it. So, let's make sure that instead of the kind of talk that I hear from my opponent, where one day he says he might give a tax reduction, the next day he says he isn't sure—you can count on President Ford to be on your side to reduce taxes in 1977.

Let me conclude with this observation: This election, in 3 days, will determine the direction of this country not only for the 4 years but for the next 100 years, which is our third century of American history.

Our forefathers, 200 years ago, drafted the most wonderful document for the governing of people in the history of mankind, and on July 4 of this year, we celebrated our 200th birthday. You had celebrations the length and the breadth of America. I was privileged to go to Valley Forge and to see where the straggling army of George Washington fought that battle. I was privileged to be in Philadelphia where it all began. I was privileged to be in New York City to see those "Tall Ships", where countries from all over the world came to pay respect to the greatest country in the history of mankind.

Out of that wonderful birthday celebration, America had a rebirth of spirit, a restoration of confidence, and a feeling that America was on the move. We can keep it on the move if you do your job on November 2, 1976.

I have been honored to be your President for the last 2 years, through the tough, difficult times we have had. I have nothing but the highest aspirations for all of you who kept your cool and stayed with us during those tough times.

I would be honored to be your President in the next 4 years, and I would be so pleased, I would be so proud, if you would tell me, "Jerry, you have done a good job, keep right on doing it."

Thank you very much.

NOTE: The President spoke at 12:27 p.m. at the Luther Ely Smith Memorial Park. In his remarks, he referred to John C. Danforth, attorney general of Missouri, and Gene McNary, chairman of the St.

Louis County President Ford Committee.

As printed above, this item follows the text of the White House press release.

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Exchange With Reporters on Arrival at Houston, Texas.
October 29, 1976

I THINK the people of the great Lone Star State know of President Ford's deep personal commitment to a strong national defense program. Everybody here knows that I have worked for 2 years with the Congress, trying to get the Congress to go along with the kind of a defense budget that's needed and necessary now as well as in the future. We were fortunate in the last Congress to have made considerable success in that regard.

I am looking forward to a continuation of a strong national defense program. That's the most effective way to keep the peace and the most effective way to ensure our domestic security.

I want everybody in Texas to know what a great contribution they have made to the national security of the United States. Your military industry here in Texas, not only in the building of aircraft but electronic communications systems, as well as all the other things, are very significant in making our defense program the kind that will produce results in deterring the enemy, maintaining the peace, and meeting any challenge.

I also wish to compliment the young men and women who man the military installations from El Paso to Houston. They do a tremendous job on behalf of our national security.

So, it's great to be in Texas with all the fine people that have contributed so significantly to my campaign. And I might add one footnote: In the last 5 days, there has been a very noticeable, very evident upturn in the polls, a very discernible increase in crowds all over the United States, whether it's in the Southeast, the Middle West, the Northeast, or elsewhere. We have the momentum going and we expect it to keep going, because we have got the right programs and we have got good leadership and good organization. And with that kind of a momentum, we're going to surprise some people on November 2.

REPORTER. Mr. President, with the court decision today in New York regarding Mr. McCarthy, could you afford to lose Texas and still win the election on Tuesday?

THE PRESIDENT. We are optimistic, of course, about winning Texas. It is a very key State. On the other hand, we don't write off New York even if, by chance, the court does decide in the final analysis that Senator McCarthy will

be precluded from offering himself as a prospective candidate in New York State.

Texas is crucial. I think we have got some good news that has been coming. It's getting better. And when you look at how well we're apparently doing in California, how well we're doing in some other States, as I said a moment ago, we're going to surprise some people.

Q. Mr. President, this had been a grueling campaign for you. Are you looking forward to the end of this on Tuesday night?

THE PRESIDENT. Do I look tired? [*Laughter*] I tell you, I get stronger every day, and for good reason.

Q. How far behind do you see you are at this point, and is there time left to catch up?

THE PRESIDENT. I think we're neck-and-neck. And when you've got momentum, and the opposition is trying to put their finger in every dike to try and stop the erosion—obviously, we've got the momentum going and they are frantic and frustrated and frenzied. And, gee, I just feel good about it, just wonderful.

Thank you all very much.

REPORTER. Thank you, Mr. President.

NOTE: The exchange began at 3:40 p.m. at the William P. Hobby Airport.

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Remarks at a Rally in Houston, Texas. *October 30, 1976*

THANK YOU very, very much, my dear friend, John Connally. May I say at the outset that John and Nell Connally are the kind of people that Betty and Jerry Ford like, because they are great citizens of Texas, wonderful citizens of the United States, and we love them, and so do you.

But it's a pleasure to be here in Houston and the great State of Texas and to have an opportunity to wish my very, very best to Bill Archer, to Ron Paul, and to Alan Steelman and to say that with a rally like this in Texas, I think we're going to win and win overwhelmingly.

On behalf of Betty and myself, I'm going to issue a very special invitation to all of you here to come on down to Washington on January 20 and participate in the inauguration of Jerry Ford and Bob Dole.

Let me reiterate in my own way the working relationship that John Connally and I have had for 20 years. I sat in the House of Representatives, first as

a member of the Committee on Appropriations—the Defense Appropriations—and the most articulate, the most effective, the most knowledgeable witness before our committee was John Connally. You should be proud of him. I was in the Cabinet Room the day that the announcement was made that John Connally was going to be the Secretary of the Treasury. The President couldn't have picked a finer man for that fine job; we're lucky.

But you also have some other great Texans who are helping in this campaign. Ray Richardson—Ray Hutchinson,¹ excuse me—a dear friend of mine at home is Ray Hutchinson [Richardson]—but Ray, I want to thank you very much for the superb job you have done in organizing the State of Texas. I thank you from the bottom of my heart.

But then at the head of the President Ford Committee is another great Texan, Jim Baker, and I thank Jim for the fine job that he has done.

As we near the countdown on this great election, I recall vividly August 9, 1974. When I took the oath of office as your President, this country was in deep trouble. People were angry with one another. America was divided. There was a great loss of confidence in ourselves, in our Government, and in our Nation. We were suffering unemployment that was reaching a very high level. Inflation was over 12 percent. We were on the brink of a recession. We were still involved in Vietnam.

Yes, America was having trouble. And as I took the oath of office, I said, subsequently, that I had not been elected by your ballots, but I asked for your prayers. The American people responded with their prayers, and we put the ship of state on an even keel, we set a steady, commonsense course. And the net result is, we have restored confidence in the White House because your President has been open, candid, straightforward, and I will do the same for the next 4 years.

We decided that the way to whip inflation was to reduce Federal spending, to reduce the rate of growth of Federal spending, and we have. Inflation, instead of being 12 percent—the last figure, 4.4 percent. That's progress.

We were able to end our involvement in Vietnam. And I am proud to say to all of you in Houston and the other wonderful Texans, that not a single American is fighting or dying on foreign soil today. We are strong and free because we have the finest Army, Navy, Air Force, and Marines in the whole world, and we are going to keep it that way.

Mentioning our national security, there's a distinct difference, as John Connally said, between my position and that of my opponent. I believe that our

¹ Texas Republican Party chairman.

defense must be fully funded so we can buy the most sophisticated, the most modern weapons—number one, to keep the peace through strength and, number two, to meet any challenge by any adversary from any place in the world. And under my administration today—and in the future—America will be number one.

In contrast, my opponent says today he would cut \$5 to \$7 billion out of the defense bill. A year ago, he said he would reduce it by \$15 billion. In either case, any such reduction in national defense funding would be gambling with the security of the United States today and in the future, and we won't let that happen.

We're going to keep our Nation strong to meet any challenge, to get the respect from our allies. But we must also keep America strong here at home. Yes, we have gone through the worst recession in 40 years. But because of the character of the American people, because of our dedication to the free enterprise system, we are on the verge of the kind of prosperity that we'll have under this administration during the next 4 years.

But this brings up the distinct differences between President Ford on the one hand and my opponent on the other hand. I believe the best way to stimulate our economy, to provide jobs for everybody who wants a job, is to give tax reductions to the individual, particularly the middle-income taxpayer, and to give a tax reduction to industries so they can have an incentive to expand their plants, to build new plants, so that jobs for more Americans will be in the private economy, not dead end jobs that Jimmy Carter wants to give them out of the Federal Treasury.

Over 50 percent of the taxpayers in this country today fall in what we are proud to say is "middle America." I proposed last January a tax reduction that would give to the middle-income taxpayer the kind of tax relief that he deserves. The best tax reform that I know is tax reduction. I submitted to the Congress a proposal that made a lot of sense and would have given the kind of relief that you would appreciate. I recommended that we increase the personal exemption from \$750 to \$1,000.

Congress, unfortunately—and I think irresponsibly—rejected that proposal. I was talking to a worker in a plant just a week or so ago, and he said, "Well, what will you do about my taxes?" I said I had proposed a tax reduction that would be meaningful to him. I asked how many children did he have. He said he has three. It turned out he had a wife, three children. and himself. I said, "If Congress had done the right thing by you and millions like you, when you have the opportunity to fill out your tax return next April, you would have

had \$1,250 more in personal exemptions.” He said, “Gosh, how could the Congress be so irresponsible?”

So, I made a pledge to him, and I will make the same pledge to each of you. When Congress gets back next January, they will have on their desks a proposal to increase that personal exemption. I hope they are responsible in 1977 to give that kind of tax relief, but if they aren’t, we will repeat it in 1978 when they reconvene. But then, if they don’t pass it by the next election, we will go out and beat them, because the American people need that kind of tax relief.

So, as we look as to what the issues are between now and November 2, each one of you—and millions like you all over the country—have a very crucial decision to make. If you believe in strength at home, strength abroad, if you believe in the kind of an America that has taken us from 3 million people 200 years ago to a nation of 50 States and 215 million Americans, if you believe in the principles that have made America so great that we are envied by adversaries and allies around the world, you will vote for Jerry Ford and Bob Dole.

America has made an incredible comeback in the last 26 months. We have made it because of the character of people like yourselves. We have made it because we believe in the free enterprise system. We have made it because of the Constitution that was given to us by our forefathers, the greatest document in the history of mankind.

Yes, as I said on that day, August 9, 1974, I had not been confirmed by your ballots, but I have since been supported by your prayers. Now I can ask you on Tuesday, November 2, to not only support me by your prayers but to support me by your ballots.

Thank you very, very much.

NOTE: The President spoke at 10:47 a.m. at the Houston Music Theatre. In his remarks, he referred to John Connally, Governor of Texas 1963–69 and

Secretary of the Treasury 1971–72, his wife, Nell, and Representatives Bill Archer, Ron Paul, and Alan Steelman.

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Remarks in Langhorne, Pennsylvania. *October 30, 1976*

THANK YOU very, very much, my very good friend and former colleague, Ed Biester. Ed, everybody here knows that you’ve done a superb job as a Member of the House representing this area in the Commonwealth of Pennsylvania. And I will miss you in the next 4 years, and I thank you for your support and your friendship over the years. Ed, we will miss you very, very much.

But let me add very quickly, I have had the privilege and the honor to get

to know Jack Renninger, who is running to succeed Pete [Ed]. And it's my observation, having seen a good many Members of Congress and candidates for Congress, that this district should send Jack down to Washington to represent you and help me in the next 4 years.

But I also want to thank Harry and Ruth for the fine job they have done in this area.

But I would also speak out very strongly for another friend who you need and who I need and the country needs in the United States Senate, and I speak now—strongly, affirmatively—for John Heinz, your next United States Senator.

I brought along here, I am sure, somebody all of you know. He is a very good friend of mine. He has been campaigning with me for the last 10 days and, believe me, he has been extremely helpful and beneficial. Let me introduce to you a great guy, my friend, I am sure your friend, Joe Garagiola. Thank you very, very much, Joe.

Now, for a few minutes in this wonderful Oxford Valley Mall, in Bucks County, in the Commonwealth of Pennsylvania—when I left Kansas City, I made a commitment that I wouldn't concede a single vote and that I wouldn't concede a single State, and the net result is our campaign has gathered momentum every day.

And so today, I can stand in front of you, this tremendous crowd, and say with conviction that I am inviting you, on behalf of Betty and myself, to come on down to the inauguration for Jerry Ford and Bob Dole January 20, 1977. We will have a real swinger, all for America.

In August of 1974, this country was in deep, deep trouble. That day that I became President—obviously, I will never forget—but that day we were on the brink of the worst recession. Inflation was over 12 percent. Americans had lost faith in their country, had lost faith in the White House. We were still deeply involved in Vietnam. There was anger; there was division among the American people.

And as I took that oath of office, standing in the East Room with Betty at my side, I said I had not been elected by your ballots; I asked to be confirmed by your prayers. Because of your prayers and because we put the good old ship of state, the United States of America, on an even keel, because we had a firm, strong, commonsense hand on the tiller, we began to make the kind of progress that today, we can say in real conviction, America is making progress, America is on its way, America is safe, America is secure. We made an incredible comeback, and we aren't stopping here.

We have cut the rate of inflation by better than 50 percent, which means,

particularly to our older people who live on fixed incomes, that they are going to have more and a better opportunity to live their lives in retirement. It means that people are going to invest; that it will be easier to buy a home, particularly for the young person. Yes, we have cut the rate of inflation by better than 50 percent. But let me make a commitment to each and every one of you. I won't be satisfied until we win the battle against inflation 100 percent, period.

Yes, we have gone through a serious recession, the worst in 40 years. But in the last 18 months we have added 4 million jobs, primarily in the private sector. We have 88 million people working today—an alltime history, the tops. I am not satisfied. I won't be satisfied until every person who wants to work has a job. And I pledge to you that will be our goal and we will make it in the next 4 years.

I think the record is clear that we have restored the trust of the American people in the White House itself. I have been open, I have been candid, I have been frank, I have been forthright. And I again make a solemn pledge to each and every one of you that in the next 4 years, you can trust the President who has been open, frank, honest with you in the last 2 years. We will do it in the next 4 years, as well.

Doesn't it make you feel good that I can say—and you know it is true—that not a single young American is fighting and [or] dying on any foreign soil tonight, and no young American is facing the prospect of the draft or selective service? We have an Army, Navy, Air Force, and Marines that are number one, and we are going to keep them number one under Jerry Ford.

I know from my experience in the White House that to keep the peace we have we must remain strong. That will encourage our allies; it will warn our adversaries. And that peace, that came so hard, is a peace we can keep because we are united in America.

The Congress is now supporting the kind of defense budget that will buy us the best weapons, give us the best military personnel. Because of our military strength and our diplomatic skill, America has the peace, and we are going to keep it so that we can live a better quality of life here at home, a quality of life with peace and freedom.

But what does that mean? It means that we have to stimulate the economy, and the best way to do that is by a tax reduction. The best tax reform I know is tax reduction.

Last January, when the Congress reconvened, I submitted to them a tax reduction program that would have done two things: One, it would have increased your personal exemption from \$750 to \$1,000.

The other day, I was in a factory talking to a group of working people, and one of the men said, "Well, how are you going to reduce my taxes?" I looked him right in the eye and I said, "How many children do you have?" He said, "Three." So, he had himself, his wife, and three children. I said, "If the Congress had acted responsibly, next April when you were going to make out your income tax return, you would have had \$1,250 more in personal exemption," which, in a family like that gentleman had, would have permitted him to do the things to upgrade his living, improve his quality of life.

The Congress didn't do it. But let me put them on warning. I am going to have a tax reduction proposal on their desk when they reconvene in January, and if they don't pass it next year, it will be on their desk the next year. And if they don't pass it in 1978, you and I will go out and lick'em in 1978 in the next election.

But we also have an obligation to stimulate the economy so that business can expand, so that business can build new factories, buy more equipment. So between giving a tax reduction to the middle-income people who have been short-changed by the Democratic Congresses for the last 10 years and a tax reduction to stimulate business, we are bound to have a healthy economy under the Ford administration for the next 4 years. I pledge that to you right here in Orchard Valley, Bucks County—Oxford. Let me apologize to Oxford Valley. [*Laughter*] We were in the right county, anyhow. [*Laughter*]

But one final observation: We have an obligation to our older people. We have an obligation to do better in the reduction of the rate of crime. We have an obligation to make sure that our water is clear and our air is free. We have an obligation to make certain that the quality of life, so that an individual, a family can buy that home in a decent neighborhood, so that health care is available at affordable prices, so that recreational opportunities are available for all of you.

Yes, now that we are over the hump of the recession and on the way to the right kind of prosperity with peace throughout the world, we can look forward to a new era, the first 4 years in America's third century, a century that can be the brightest and the best in the history of this great country.

I have been proud to be your President during the troubled times of the last 2 years. I would be honored to be your President for the next 4 years.

And so I say to you tonight that 2 years ago you confirmed me with your prayers. Tonight, I ask you to not only confirm me with your prayers but also

to elect me with your ballots on November 2. And I pledge to you that Jerry Ford won't let you down in the next 4 years.

Thank you and good night.

NOTE: The President spoke at 6:38 p.m. at the Oxford Valley Mall. In his remarks, he referred to Harry W. Fawkes and Ruth Nemetz, cochairmen of the Bucks County President Ford Committee, and Joe Garagiola, NBC sports commentator.

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Remarks in Syracuse, New York. *October 30, 1976*

THANK YOU, Bill Walsh, Senator Jack Javits. I can't express adequately my appreciation to Jack. Whether I'm in California or St. Louis, Missouri or Syracuse, New York or New York City, Jack Javits is out there fighting for the principles that we believe in. And I thank you from the bottom of my heart, Jack.

It's great to see Bob McEwen. You know, long before some of you were born, I used to go up skiing in Lake Placid, and I look forward to going to the Winter Olympics in Lake Placid as your President in 1980. I know Bob McEwen will be your Congressman at that time, too. But Bill Walsh, former great mayor of this city of Syracuse, when I was in the House as the minority leader, Bill did a super job. And for your benefit, for the country's benefit, let me say you darn well better send Bill Walsh back to Congress.

Then I owe a special debt of gratitude to Dick Rosenbaum. He did a tremendous job and significantly helped me have the opportunity of representing our party in this great campaign. And I thank you very much, Dick. I know Joe Garagiola was introduced, but Joe has been campaigning with me for the last 10 days. I'll tell you, his enthusiasm, his integrity, his support, his friendship, I will never forget. Joe, in front of these great people from Syracuse and upper New York, I want to thank you from the bottom of my heart. You know we're in the last quarter or we're in the ninth inning. That's when you win. That's when Dolph Schayes¹ used to win for you here in Syracuse, that's when Joe Garagiola pulled it through, and that's when Jerry Ford is going to win this election on November 2.

I said in Kansas City that I wouldn't concede a single State, I wouldn't concede a single vote, and we haven't. Let me invite all of you wonderful people here in the War Memorial Stadium—I want to invite you to a great party on

¹ Former Syracuse Nationals basketball player.

January 20, 1977. Betty and Jerry Ford invite you to the inauguration on January 20, 1977.

You know, as we come to the final countdown, and that is where we really are, I think you know but I want to reemphasize it—I stand on your side for limited government, for fiscal responsibility, for rising prosperity, for lower taxes, for military strength, and for peace in the world.

I am the first President to seek election since Dwight D. Eisenhower who can go to the American people and say America is at peace. And I remind you that not a single young American is fighting or dying on foreign soil tonight and they won't under the Ford administration.

But as we talk about things that are good, things that we have done, I can't help but let my mind drift back to 26 months ago when I became your President and stood in the East Room of the White House—never having sought election as President—becoming President under the most unusual circumstances, but I found that this country was in tough shape at that time.

Unemployment was beginning to rise. We were on the brink of a serious recession. Inflation was over 12 percent. The American people had lost faith and confidence and trust in the White House itself. We were still engaged in Vietnam. It was a tough and troubled country.

But as I stood there and took the oath of office and then had a few words to say, I said, "Although you have not selected me by your ballots, I hope you will confirm me with your prayers." And over the long sweep of 26 months, those prayers have helped. We put the ship of state on a steady keel. We had a firm and commonsense hand at the tiller, and the net result is we made substantial progress. We have cut the rate of inflation by more than half. We have gained 4 million jobs in the last 18 months. We have 88 million people gainfully employed in this country, an alltime high. And I think we have restored honor and trust and confidence in the White House by being frank, forthright, talking straight from the shoulder. I don't believe in promising more than I can produce, and I believe in producing everything that I promise.

But we've got a long way to go. I'm not satisfied. I won't be satisfied until every American who wants a job will have a job. We can do it in the next 4 years. I won't be satisfied until every young American, with his wonderful wife, can afford to buy a house in a decent neighborhood because that's the bulwark of our society—a home where you raise fine children, where you live in security and safety. And we are going to make it possible by lowering downpayments, by adjusting mortgage payments, and by lowering the problems of inflation. We are going to give this new spirit to the younger generation on the

one hand and the building industry on the other. That's a goal of our next 4 years.

As I look around this wonderful hall tonight, I see some of what are sometimes called our senior citizens. We owe them a special obligation. They have built the America that we live in today. Your parents and my parents and all of our grandparents, what a great country they have given us. So, as they live in their retirement, they should have our full and total support. They shouldn't have to worry about the problems of inflation, even though they live mainly on fixed incomes. That's the principal reason we have an obligation to put a restraint on the increase in Federal expenditures, because the best way to beat inflation is to cut Federal expenditures.

But we also owe them the opportunity of the best medical care that is obtainable in America, and we have the best. Everybody in this room knows a family, maybe your own, where somebody has had an extended illness with terrible medical and hospital costs. It's a catastrophe for the individual and for the family. We owe an obligation that no person among our senior citizens should go broke just to get well.

Among the other things that involve quality of life in America is the finest education. We have the teachers and the administrators and the facilities and, believe me, under this administration, we will make a maximum effort to make sure that quality education, with control at the local level, exists under the Ford administration.

Nobody in this country can feel safe unless we do something effectively about crime in America. We have made significant progress in the last 2 years in reducing the rate of crime, but I'm not satisfied, nor are you. There are two programs that must be implemented: The hardened career criminal who is a repetitive individual in robbing or stealing must go to jail, and that person must stay in jail.

Then, let me talk for just a minute about taxes. In January of last year, I submitted to the Congress a sound tax reduction program. The best tax reform that I know is tax reduction for the middle-income taxpayers. The middle-income taxpayers have been shortchanged, and so I recommended to the Congress last January that we increase the personal exemption from \$750 to \$1,000.

The other day I was out talking to some workers in a plant and one of the men said, "What have you done to give me some tax relief?" I said, "How many children do you have?" He said, "I have got three." It ended up he had a wife, three children, and himself. I said, "If the Congress had been responsible,

if the Congress had done the right thing and followed the recommendations that I made to give a fair break to the middle-income taxpayers, they would have accepted, approved, my increase of \$750 to \$1,000 for the middle-income taxpayers with a personal tax exemption.

Now, what did that mean to that family of five—\$1,250 more in personal exemption. That's a lot of dough to a family that's trying to make it with a new house, send kids to school, improve their own status in society.

And that gentleman said to me, "Well, supposing Congress doesn't pass it next time?" I said, "When they get back in January, they are going to have it on their desk. And if they don't pass it in 1977, then we will submit it in 1978, and if they don't pass it in 1978 to give you the kind of tax relief that you deserve, we will go out and beat them in the 1978 election."

So, when you come right down to it, we've got peace, we're on the move to prosperity, and we have restored trust. So, in every field, America is on the move. The Nation is sound. The Nation is secure. This Nation is on the way to a better quality of life.

I say to you, my record is one of progress, not platitudes; performance, not promises. We have our problems, but I think we are making the kind of headway that gives us pride in America.

So, I say to you, on November 2—it has been tough the last 2 years, but I have been proud to be your President in a period when adversity almost overcame us, when difficulties were awesome. But because you supported me, because our form of government worked, because America is great, it was a privilege to be your President. But now, as skies get brighter, I ask you to give me an opportunity. I would be highly honored to serve as your President for the next 4 years.

We had a magnificent Bicentennial. There was a rejuvenation of the American spirit. There was a rebirth of our faith. So, I would look forward to representing you, to doing the best I could, and I pledge that to you. Therefore, on this occasion I ask you not only to confirm me with your prayers but to support me with your ballots. I won't let you down.

Thank you very much.

NOTE: The President spoke at 9:25 p.m. at the Onondaga County War Memorial Auditorium. In his remarks, he referred to Richard Rosenbaum, New

York State Republican chairman, and Joe Garagiola, NBC sports commentator.

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Remarks at a Republican Party Reception in Buffalo, New York. October 31, 1976

Thank you all very, very much.

It's wonderful being in Erie County, Buffalo, in the great State of New York. I am extremely proud, Mr. Chairman, to have with me on the platform this morning, friends of mine—one, a person who is not running for reelection in 1976, but he has been a loyal, dedicated, hard-working Republican for the ticket, and I am delighted that he should be here with me this morning, and that is my good friend, Senator Jack Javits.

But, on my right and your left is an equally good friend of mine. He served with me in the House of Representatives for 6 years or thereabouts, and I learned that he's a team player, he's a hard, tough kind of a guy that goes after a problem and gets it solved, and I'm honored and privileged that Jack Kemp is here, and you need him.

Unfortunately, your Senator, Jim Buckley, is not here for good reasons. I just hope that all of you work very, very hard to make sure that Jim Buckley comes back to the United States Senate.

I don't know how many times I have been to Buffalo in Erie County, but it is really countless. The welcome this morning was fantastic. And as I said in the other room, and I will repeat it here, we have the momentum going. They are putting their fingers in every hole in the dike trying to stop the problems that they themselves created. And the net result is with our momentum I think I can, with good reason, on behalf of Betty and myself, invite all of you to come to Washington on January 20. That will be a great inauguration, and Senator Javits and Senator Buckley and Congressman Kemp, at the White House—we'll try to find you someplace to sleep, don't worry about it. [*Laughter*]

Now, I know from practical experience that those of us who represent you in Washington don't really always do the jobs that are important to you or to your respective neighbors, and so I am delighted, I am pleased, that your county executive, Ed Reagan, is here with us on the platform today.

The countdown is just about 50-some hours away, and what you decide and what you are able to get your neighbors and friends to decide could very well make the difference of the direction of this great country for the next 4 [years], but possibly for the next century.

We just celebrated a magnificent 200th birthday on July 4. We started in

Valley Forge, where George Washington and that straggling army went through the most difficult winter you can imagine. We then went to Philadelphia, and saw where it all began. Senator Javits was with me when we saw those "Tall Ships" from all over the country (world) coming to the United States to pay respect to the greatest country in the history of mankind.

That is our history. We can read it. But now our job is to make it for the next 4 and the next 100 years. We have an obligation to do as well for those future generations as our predecessors did for us. But what does that mean? It means that we have got to preserve our form of government, our free enterprise system. We have to preserve the liberty and freedom that is so priceless. We can't do it by building the government bigger and bigger. We can do it by stimulating the efforts of individuals and the efforts of business.

So I say to you, as we face our economic problems—and we have had them, believe me—when I took that oath of office, August of 1974, America was in real trouble. We had unemployment. We had inflation of over 12 percent. We were still involved in Vietnam and many, many, many thousands of Americans had lost faith and trust in the White House.

Some of you may recall that I, after taking the oath of office, said, "I have not been confirmed by your ballots, but I ask that you confirm me by your prayers." You did, and things have been turning for the better in America.

We have gone through a tough economic problem, but inflation is cut less than half. We have 4 million more jobs today than we had 18 months ago. We, I think, have restored trust and faith in the White House. And I'm proud to say that there's not a single young American fighting or dying on any foreign soil today.

But everything we have done is only the foundation from where we can go. We can go by a tax reduction that gives to each and every one of you, and all of your fellow American taxpayers, a kind of meaningful tax cut by increasing the personal exemption from \$750 to \$1,000. Mr. Carter says that is going to help the rich. Well, he has been wrong so many times that's just another error on his part. Wouldn't that kind of a tax reduction help every one of you?

That is your tax reduction that you will get under a Ford administration, and Mr. Carter's was one way yesterday and another way the day before. I cannot forecast—[laughter]—I honestly can't tell what his position will be in the next 2 days.

But I want you to know that on this crucial countdown day, I stand for tax reduction, I stand for fiscal responsibility, I stand for a smaller government, I

stand for a strong nation to keep the peace. You know where I stand. I am not all things to all people. I am the same thing to all people.

But we are not satisfied with the progress we have made. I have been a strong supporter as Senator Javits and Congressman Jack Kemp know of our mass transit program, which was signed into law after I worked on it with the Members of Congress in 1974. And I am real pleased of the announcement that you are going to have a meaningful program right here in Erie County and in Buffalo. That not only will mean something in the movement of people, but it will mean something in the way of jobs. Can you get jobs? Yes, with this kind of a program.

But you also get jobs with an incentive given to business to expand, to modernize, to build new plants and, therefore, on January—whatever the day is that they, Congress, convenes—we are going to have a tax reduction package there that will help the middle-income taxpayer and help business to expand and modernize so we will have jobs.

Now, as I leave this great organization which you have here in Erie County and the surrounding areas, I want to leave one thought. I have been very, very proud to be your President during 2 tough years. I would be very honored to be your President during 4 years where we can make things better because America is on the move.

In August of 1974, you couldn't confirm me by your ballots, but you did by your prayers. And I ask you between now and November 2 to not only confirm me by your prayers but to elect me by your ballots.

Thank you very much.

NOTE: The President spoke at 10:32 a.m. in the Golden Ballroom at the Statler Hilton Hotel. In his remarks, he referred to Richard Rosenbaum, New York State Republican chairman.

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Remarks on Departure From Rochester, New York. *October 31, 1976*

CAN I ask you, make it so quiet temporarily you can hear a pin drop?

It's great to be in Rochester-Monroe County and the great State of New York. Thank you. It is my privilege and honor to be here with some of your wonderful local people, some that represent the whole State. And let me express my deep appreciation and gratitude to your senior Senator, Jack Javits.

And then we have got one of your hometown boys—he has grown quite a bit—the former judge and our State chairman, Dick Rosenbaum.

Now, let me say something about some people that I want to be with me in Washington for the next 4 years. First, I want you to reelect for your benefit, for the country's benefit, for our benefit, Frank Horton. And then another one of your outstanding, super guys that has helped me so much, who can help you, help the State, help the country, Barber Conable. And then I want you to send down to Washington—or to keep him there, that is what I really mean—your good friend, your Senator, Jim Buckley.

Now, for just a minute I would like to first express my deep appreciation and gratitude for the tremendous turnout in Michigan weather. [*Laughter*]

Now, having said that, when I became your President 26 months ago, things were tough. You will recall inflation was over 12 percent. We were on the brink of a recession. People had lost faith and confidence in the White House. We were still involved in Vietnam. And as I stood in the East Room of the White House and took the oath of office, it wasn't an easy time—America was in turmoil. And at that time, I said to all of my fellow Americans: You have not confirmed me by your ballots. I ask that you confirm me by your prayers. And you did. And the net result is America got our ship of state on a steady course, we put a firm hand on the tiller. And America has made an incredible comeback, and you did it, and I thank you.

We have cut inflation by more than 50 percent, and we are going to do better. We have added 4 million jobs in the last 18 months, and we are going to do better. We have restored trust and honesty in the White House, and I pledge that is the way it will be for the next 4 years.

But today, we can all be proud and thankful that not a single young American is fighting or dying on any foreign battlefield. And because we are strong militarily and diplomatically skillful, we will keep it that way in the next 4 years.

But now that we are over the hump, now that we have laid the foundation for the kind of progress that America is capable of, let me just make a passing comment. How many of you were proud of America on its 200th birthday on July 4? I was, too. I was in New York Harbor and saw those "Tall Ships" from all over the world paying respect and tribute to the greatest country in the history of mankind, the United States of America.

But now we have progress to make quality of life. I won't be satisfied until every American who wants to work has a job, and that is a pledge to you. I

won't be satisfied until every person who wants to save and buy a home in a decent neighborhood has that home. And we will do it in the next 4 years.

I want it so that young and old, that all of our 215 million Americans, can walk those streets in Rochester, New York, Detroit, Grand Rapids, in safety and security. We are going to lick the problem of crime in America. And we want a quality education for all Americans. We are going to have the best health care. People will be able to afford it.

But let me conclude with this pledge: For the last 2 years, when things were going toughest, I was proud not only of the character of the American people, the character of our form of government, but I was proud to be your President. And now as we move into the third century of America's history, I ask you on November 2, to not only confirm me with your prayers but to confirm me with your ballots. And I won't let you down.

Thank you very much.

NOTE: The President spoke at 11:50 a.m. at the Rochester-Monroe County Airport. In his remarks, he referred to Richard Rosenbaum, New York State

Republican chairman, and Representatives Frank Horton and Barber B. Conable, Jr.

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Remarks in Hauppauge, New York. *October 31, 1976*

Thank you very, very much, Dick Rosenbaum:

May I ask a favor of you for just a few minutes, because this is a very crucial election, not only at the local but at the State and at the national level. I would like to reintroduce maybe a person or two. I would like to introduce some people who have really been very helpful, and then I would like to talk to you straight from the shoulder about the differences between electing my opponent on the one hand and the Ford-Dole ticket on the other.

First, I want to thank Dick Rosenbaum. I want to thank Buzz Schwenk, who has done a super job. I wish to express my appreciation to Perry Duryea. And on a very personal note, back in 1970, I had a tough congressional race, after having 11 relatively easy ones, and I asked a dear friend of mine, a man who would have an impact in my congressional race, to come out and give a Lincoln Day speech in my behalf. And I have never forgotten his loyalty, his help, and I want to recognize it here among all of you in Suffolk County because he is a great statesman, and I say Senator Jack Javits.

But there are some other people that have been introduced, but I would like to give them some special and very personal recognition from me—to have one

of the great musicians of all time, Lionel Hampton, and a person who represents the best in professional athletics, Joe Frazier.¹ Come on up here, fellows.

And then there are two candidates, among many others, but two that can make a great contribution to not only the best interests of Suffolk County but the best interests of the State of New York, and even more importantly, the best interests of the country. I hope that you will send Jim Buckley back to the United States Senate.

And we need a good man—Joe, get up here. Send Peter down to help us. There's another person who has made a tremendous sacrifice. He has helped me. But he is doing it because he feels so strongly about what ought to be done in the next 4 years to make this country a better place for all of us to live. I can't express my appreciation and gratitude deeply enough, but one of my good friends and one of yours, Joe Garagiola. Come here, Joe.

In the last 10 days, I have been in many, many areas in this great State. Let me just run down the list: Flatbush, Brooklyn, Manhattan, Syracuse, Buffalo, Rochester, Suffolk, Nassau tonight, and Westchester County. We are on the momentum to win this great State, and we're going to.

Now I am going to issue you an invitation. I talked to Betty today, and Betty says, "Tell all those wonderful people from Suffolk County to come to the White House, come to the inauguration on January 20 when Jerry Ford and Bob Dole are sworn in."

As I stand here tonight, inevitably my mind goes back to August of 1972 (1974)—and reflect for just a minute. Those were tough times. We had inflation of over 12 percent; we were on the brink of the worst recession in 40 years; we were still involved in Vietnam; and the American people had lost faith and trust in the White House. And I can recall that sad day, because I had never sought to be your President, but I took the oath of office to be the President until January 20, 1977. And, with some emotion, in the short remarks that I made after taking the oath, I said to 215 million Americans: You haven't confirmed me by your ballots, I ask that you confirm me by your prayers.

And in the next 2 years, which were tough, I had the distinct feeling that 215 million Americans—Independents, Democrats, and Republicans—were standing with us as we tried to meet the terrible problems that faced this country.

But because we put the ship of state on an even keel, and we had a firm, consistent, commonsense hand on the tiller, we started to make that progress that has culminated in today the rate of inflation being less than 6 percent. We

¹ Professional heavyweight boxer.

have cut it by more than 50 percent. And I pledge to you we will do better in the next 4 years.

In the last 18 months, we have added 4 million jobs in America. We have 88 million people gainfully employed, the highest number in the history of the United States. But I won't be satisfied in the next 4 years until we find a job for everybody who wants to work, and we're going to do it.

I think in the last 2 years the White House has been open. I have been candid, frank, forthright. And the net result is that even people who disagree with me have faith and trust that the White House is their White House, it is an honest, frank, open White House, and it will be that way for the next 4 years.

But one of the things that pleases me the most is that I can stand before you tonight and say I am the first President seeking election since Dwight D. Eisenhower who can say America is at peace.

I thought I asked you to be quiet so you would hear a pin drop. But I like it. [*Laughter*]

But let me add on the point I just made: Not a single young American is fighting and dying on any foreign soil tonight, and they won't during the next 4 years. And they won't because we have the finest Army, Navy, Air Force, Marines. They are number one, and we are going to keep them number one.

I am proud of the fact that we have given additional support to our national defense program to make sure that in the future, when a President sits down to negotiate with his allies, his allies will understand that the United States is strong in weapons systems and strong in will. I am glad that the defense program we have today is a strong one so that when I sit down to negotiate with any adversary, they know we have the strength and the will to stand up for freedom and liberty in the United States.

But in order to do that, yes, we have to spend a good bit of money. But we have to spend that money for the finest weapons systems, not to fight a war, but to preserve the peace, and I am proud of the contribution that you in Suffolk County make with the Grumman plant and the F-14.

But let's talk now about how we can keep America strong at home. There are some in this political campaign who say the way to increase employment is to put people on the Federal payroll, dead end jobs, vast expenditures out of the Federal budget. I don't think that will work in the United States. It certainly hasn't worked in Great Britain.

The better way, and the Ford way, is to give tax reductions to the middle-

income people and to give tax reductions to industry so they can expand, build new plants in Suffolk County, expand the ones that are here, and make this a healthy economy through the free enterprise system.

My opponent, when he talks about taxes, he sort of escalates one day, then he goes down the next, and really, even the finest newspaper people in this country—and they are all over there—can't figure out where he stands on taxes. But they know where I stand. I have told them and the American people I am for a tax reduction. That is the best tax reform I know.

Last January I sent a tax reduction package up to Capitol Hill, and I said you ought to cut taxes \$28 billion and hold the line on Federal spending by \$28 billion. Well, Congress gave us half a loaf, but they didn't hit the tax reduction where it should have been applied.

Fifty percent of the American people—50 percent—are middle-income taxpayers. They have been short-changed over the last 10 years, and President Ford's tax reduction proposal to increase the personal exemption from \$750 to \$1,000 helps those people who obey the laws, raise their families, and make a better life for America.

The other day I was out in a plant talking to a number of people working on a production line, and they stopped and I chatted. One of them said, "Well, what are you going to do about my taxes?" I said, "How many children do you have?" He said, "I have three." It turns out he had a wife, three kids, and himself. I said, "If Congress had acted responsibly and done what I suggested they do, next April when they go to make out that income tax return," I said, "mister, you could have taken \$1,250 more in personal exemption." He said, "Why didn't Congress do it?" Well, you will have to ask the majority party. They didn't want to give it to you.

But the point is they didn't do it. I am going to have a tax reduction package right on their doorstep and on their desk when Congress comes back in January. The American people want tax relief, and President Ford has recommended it, he is going to fight for it, and we're going to get it for you.

But now that we have gotten over the hump where we have had an opportunity to pull together like we did—and wasn't that a magnificent day when we celebrated our 200th birthday? I will never forget—never will I forget taking a flight over Manhattan and seeing those beautiful "Tall Ships" from many, many, many nations throughout the world who came to the United States to pay their respect to the great and wonderful country in which we live.

But we still have some things to do despite our incredible comeback, and let me just tick off a few. I'm not going to be satisfied until every American who wants a job has a job. I'm not going to be satisfied until everybody who works and saves and wants to buy a decent home in a fine neighborhood. I'm not going to be satisfied until we give a quality education to every American. I'm not going to be satisfied until we give health care at a cost that the people can afford. I'm not going to be satisfied until we lock up the criminals and make it safe to be on your streets.

You have wonderful enthusiasm, but as old Joe Garagiola said—and he ain't as old as I am—[*laughter*]*—all right, you know, this is towards the last quarter—I will put it in football terms—we were way, way behind in the first quarter and, boy, they were overconfident. But we got together. The Republican Party has never been better unified. We are out there with the right programs, the right enthusiasm, and the net result is we have the momentum.*

So, I happen to believe that this State will be on the side of the right direction for the next 4 years and the first 4 years of our third century. I know you can do it right here in Suffolk County. I know that Dick Rosenbaum and all of the wonderful workers in New York State can have the Empire State lead the pack for the right kind of a program, for the kind of an America we believe in.

But let me ask one final, final favor. I have been very proud to be your President during a period of 2 years of adversity and difficulty. You didn't lose faith in your country, in your government, or yourselves, or your neighbors. You were proud, as I was, to be an American. I would be honored to serve as your President for the next 4 years. And so I ask you, on behalf of Betty and myself, will you not only confirm me on August—October—November 2—[*laughter*]*—will you confirm me on November 2 by not only your prayers but by your ballots?*

And I won't let you down.

Thank you very, very much.

NOTE: The President spoke at 2:08 p.m. in the Grand Ballroom at Colonie Hill. In his remarks, he referred to Richard Rosenbaum, New York State

Republican chairman, Edwin M. Schwenck, Suffolk County Republican chairman, and Perry B. Duryea, Jr., New York State assemblyman.

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Remarks to Long Island Labor and Business Leaders in Hempstead, New York. *October 31, 1976*

THANK YOU very much, Joe, and thank all of you wonderful, wonderful people from Nassau County. And what a rally in the home of the Islanders and the Nets.¹

I want you to listen very carefully. I would like to hear a pin drop. You know, this morning we all set our clocks back. On Tuesday, let's not set America back. On Tuesday, vote for Jerry Ford. This is no time to play trick and treat with America.

But, thank you, Joe. And now I would like to speak very deeply from some feelings that I have about some of your friends. They are dear friends of mine.

First, for the benefit of Nassau County, for the benefit of the great State of New York, for the benefit of the United States, you send Jim Buckley back to the United States Senate.

And now I would like to express a very deep, personal appreciation for the tremendous effort that a dear friend of mine and a great United States Senator from your State has done. He's one of the outstanding Members of the Congress. I want to thank Jack Javits for his great support.

Now I asked you to be so quiet that you could hear a pin drop. You can cheer a little later. But there are two old friends of mine in the House of Representatives who I know were first-class Members of the House who did a superb job for me, who are working day and night, day after day, for you, and I speak here of two guys. You send back to Washington, Jack Wydler and Norm Lent.

And it goes without saying that if I had not had the staunch and steadfast support of Dick Rosenbaum² before the Convention, I wouldn't be here speaking to you, urging that we win this election on November 2.

And I want to express my deep appreciation to the reverend clergy. But one final acknowledgment—and I can't think of a more appropriate place to say it than right here in Nassau County—I have had at my side working with me on our major problems, domestically and internationally, his loyalty, his devotion, his dedication, his vision. Yes, I want to thank the great Vice President, Nelson Rockefeller, for his help.

¹ New York Islanders, member of the National Hockey League, and New York Nets, member of the National Basketball Association.

² New York State Republican Party chairman.

But I have a dear friend of mine here that has campaigned with me from California to New York. Well, he has been tremendous, and I would like to have him come here. He is sort of a stranger. You may not recognize him. But, on the other hand, you might. He is a great guy, a tremendous friend of mine. I would like Joe Garagiola to come up.

Let me speak very seriously with you for a few minutes. We are on the final moments, the countdown of probably the most crucial election in the lifetime of most of us here. A very important decision has to be made between now and next Tuesday when those polls close. I happen to believe that with the momentum we have going, with the performance that we have had, with the vision that we see, with the enthusiasm that I find in northern New York, here in Long Island, or any place else in this country, I think we are going to win that election good on November 2.

All right now listen carefully. On behalf of Betty and myself, I invite you all to come on down to that inauguration on January 20.

All right, let me tell you why you can go out and talk to your friends between now and November 2, and give them a real sales pitch that should convince them that the Ford-Dole ticket ought to win. Let me give you a quick review of where we were on August 9, 1974 when I took the oath of office in the White House.

America was in trouble. Inflation was 12 percent; we were on the brink of a recession; we were still involved in Vietnam; the American people had lost faith and trust in the White House itself. And as I took the oath of office in the East Room of the White House and Betty held the Bible, I pledged to you that I would uphold the Constitution, that I would do right as God gave me the right to see what we should do. And then afterwards, I said I had not been elected by your ballots but I had been confirmed, I hoped, with your prayers. And, believe me, as those tough months went ahead—and they were difficult—I knew that the American people were praying for me to give them the leadership, to give them the strength to come out of the difficult times that we went through.

We put the ship of state on a steady course; we put it on an even keel. And we have made incredible progress in the last 2 years. Yes, we have cut the rate of inflation by more than 50 percent, and I pledge to you we will do even better in the next 4 years.

We have added 4 million jobs in the last 17 months. We have 88 million people gainfully employed. But, I pledge to you I will not be satisfied until we have a job for every American who wants a job in the next 4 years.

We have restored confidence and trust in the Oval Office in the White House. I have done it by being open, candid, frank, straightforward, and let me assure you that in the next 4 years we will do just as well because the American people want to believe their President. And they can believe President Ford.

I am honored that I am the first President since Dwight D. Eisenhower who can seek election and say to the American people, our great country is at peace, and we are going to keep it that way. There isn't a single young American fighting or dying on any foreign soil tonight. And we are at peace because America is strong. We are strong militarily. We have the finest weapons, the best leadership. We have the greatest capability to deter aggression, to meet any challenge.

I have been able to turn the Congress around and convince them that their President, if he is dealing with our allies on the one hand, they feel strengthened; or if he is dealing with our adversaries, they respect him. And I pledge to you that we are going to keep the Army, the Navy, the Air Force, and Marines number one during the next 4 years. But that requires that we buy the best weapons systems, not for war but to maintain peace.

But I want to thank the people of Nassau County for their contribution. You have in the Grumman Company one of the finest performers with the F-14 and other weapons systems.

So, we have trust, we have peace, we have growing prosperity. But now, what other things must we do? Number one, we have to keep our economy moving in the right direction, and here is an area where there is a difference between myself on the one hand and my opponent on the other.

From the very beginning—in fact, in January of last year, I recommended to the Congress that we ought to have a tax reduction primarily aimed at helping the middle-income taxpayer who has been given short change in the last 10 years. I recommended that we ought to increase the personal exemption from \$750 to \$1,000.

A few weeks ago I was going through a plant, stopped and talked to some of the working people, and one of the men said, "What are you going to do about my Federal taxes?" I said to him, "Well, I recommended to the Congress that they bump up your personal exemption." I said, "How many kids do you have?" "Oh," he said, "I have three." I said, "You have your wife, three children, and yourself." I said, "If the Congress had acted responsibly, if the Congress had done what they should have done, next April when you were making out your income tax return you could have claimed \$1,250 more on your income tax return."

I said, "Ask your Congressman is he going to follow President Ford, or is he going the other direction if Carter should happen to get in the White House." Because Jimmy Carter—and I asked all these wonderful press people, can they find out where Jimmy Carter stands on taxes. I bet there isn't one of those newspaper or other news media people who could sit down and give a straight story on where Jimmy Carter stands on taxes.

So, here is a clear choice. You have President Ford, who wants to reduce your personal income taxes, who wants to give industry a break so that it can expand, it can modernize, it can do the things that produce jobs for you. That is where I stand. Well, Jimmy Carter, he's up and down.

But, there are some other things that I think now that we are over the hump after the tough 2 years we have had, I pledge to you that in the next 2 to 4 years, with the help of the Congress, that I am going to give us an opportunity to have a quality of life in America that we have never had heretofore. We are going to have a job for everybody who wants to work. We are going to have a home for every young couple that wants to work and save and buy a home in a decent neighborhood. That is a pledge to you.

We are going to have quality education. We are going to have health care that is affordable, the best in the world. We are going to see to it that the criminal element in this country goes into prison and the victims of crime are protected.

We are going to improve the quality of life. We are going to make the water that you drink pure, the air that you breathe clean. We are going to improve the environment of our whole United States so that we can live in the kind of an atmosphere that is good for all of us.

And so as this great campaign nears its finish, I just know that Nassau County is going to make a tremendous effort and produce results. I was glad to hear what Joe said. With those kind of figures we will carry New York, and with this kind of enthusiasm I know we will get those figures.

One final word: I leave New York with the kind of enthusiasm that I am sure that other successful candidates for the Presidency have felt as they have been to rallies like this one.

Yes, I have been proud to be your President during a period of 2 tough years, but with your help and with your faith and with your determination, it will be a great honor for me to serve as your President for the next 4 years. Our forefathers have given us a tremendous history and we should all be deeply grateful.

But now it is our responsibility, everybody, to write the history of the third century, and I pledge to you, as the President for the next 4 years, that we will write that history so historians can look back and say we did a good job in starting off the first 4 years of our third century.

America is respected. All of you here recall on July 4 when we celebrated our 200th birthday, those "Tall Ships" that came from all over the world to pay respect to the number one nation in the history of mankind, the United States of America.

And now I ask you on November 2 not only to confirm me with your prayers but to confirm me with your ballots, and I pledge to you that I will not let you down.

Thank you, and good night.

NOTE: The President spoke at 8:40 p.m. in the meeting room at the Nassau County Veterans Memorial Coliseum. In his opening remarks, he re-

ferred to Joseph M. Margiotta, Nassau County Republican Party chairman.

1002

Remarks in Hempstead, New York. *October 31, 1976*

Thank you very much, Joe.

I can just look around this room and see nothing but quality in Nassau County. [*Laughter*] But let me say that I know from a few years in politics that a county organization with great leadership such as you have in Joe and with the kind of people that are here as officeholders and those that support the party—you give the people good government. And if we can win this election, and I am just as confident tonight as I have ever been in the old enthusiasm and momentum, then we hope to make the effort to try and build the Republican Party in all 50 States so that we can have a party in every State just like the fine party organization leadership and results that you have in Nassau County.

We have the right principles. There is no reason why we shouldn't win the control of the Congress, win the control of the House and Senate, because our principles are those that the American people believe in. So, what we have to do is win this election and then start building like you have built here in Nassau County.

And as I leave for Canton and Akron, where we are going to stay overnight, put on a big rally early in the morning, and then go to Columbus where they're going to have a big, big noontime rally in front of the State Capitol—and even

my good friend Woody Hayes, I think, will be there to give us a little boost—and then we go on to Detroit for a big rally because we have to win Michigan.

And then Betty and I are going to land in Grand Rapids and they tell me they have a 2-hour parade all squared away there. At 7:30 Tuesday morning we're going to cast our ballots, and those are going to be two ballots that I will be glad to cast, because I think it will reflect what we want for America—peace, trust, and prosperity.

Thank you very much.

NOTE: The President spoke at 9:30 p.m. at the Nassau County Veterans Memorial Coliseum restaurant. In his remarks, he referred to Joseph M. Mar-

giotta, Nassau County Republican Party chairman, and Woody Hayes, head coach of the Ohio State University football team.

1003

Radio Address on Future Goals for America.

November 1, 1976

WE ARE nearly at the end of a long campaign. As I have moved about our country during the past few weeks, many people have told me, "Mr. President, we know where you stand on jobs, and we think you are right. We know where you stand on inflation, and we agree with you. We know where you stand on foreign policy, and we agree with you there, too. But we are not quite sure what it all adds up to. We are not quite clear where you are aiming to lead America."

So today, I want to talk with you about my concerns and my hopes for America as we enter our third century.

My vision of America is a nation that is strong and good, a nation that feels the need for constant improvement, a nation whose people care about each other and want to retain their own special sense of identity. Beyond that—a nation in which basic human rights are respected and maintained: the right to speak our minds; the right to choose the men and women who enact and enforce our laws; the right to stand equal before the law, regardless of sex, race, or religion; the right to bargain freely in the economic marketplace; the right to worship as we choose.

We have been through a lot in recent years—a war, a recession, runaway inflation, riots, scandals—a collection of troubles that shook America's confidence and left our people exhausted. In the past 2 years, I have done my best to put America back on even keel, to chart a steady course for the future.

America has had its heart broken too many times when grand promises went unfulfilled. We have learned through painful experience that when those frustrations cannot be held inside any more, our society explodes in violence and fear. That is why it is so important that those who would lead this country be honest enough to promise only what they know they can deliver, to admit that some problems can't be solved by waving a magic wand, or creating still another government program, or even by changing an administration. The answer lies not in making government bigger, but in making it serve us better in assuming more responsibilities for ourselves.

This Nation was not built on comfort, but on sacrifice; not on a maze of government programs, but on the strength and vitality of a free, self-reliant people.

We can improve the quality of life in America. We can improve education and health care. We can have comfortable, affordable homes in safe, decent neighborhoods. We can have clean air and water. We can create more parks and recreational facilities. We can care for those who need our help. We can keep America strong and at peace.

These are all worthy goals, and the government can help reach them all. But the government can't do everything. If it tries to do too much, it ends up doing nothing very well. If it assumes too much power and control, we will have sown the seeds of our own destruction as a free people. I would never let government grow so big or so strong that it can take away our freedom. I would not allow our people to grow so dependent on government that they would lose the incentive to develop their own creativity, generosity, and initiative. When a government solution is needed, I would make government respond at the level closest to the problem.

That is my vision of America: a vision of limited government and unlimited opportunity; a commitment to common sense and common progress.

On July 4, we celebrated the first 200 years of America's history. On November 2, with your help, we will begin a new generation of freedom for all Americans.

NOTE: The address was broadcast over the Mutual Radio Network.

The text of the remarks was released in the Akron-Canton area of Ohio.

1004

Remarks on Departure From Akron, Ohio.*November 1, 1976*

LET ME ask you to be very quiet for just a few minutes, because the issues and decisions you make between now and tomorrow when the polls close are very, very crucial for America.

First, I want to thank your great Governor, Jim Rhodes, who has been with President Ford from the very beginning. Jim, I can't express deeply enough my gratitude and appreciation for your loyalty. But let me add this one feature. We have on the stage with me today the two greatest Governors in the history of Ohio.

But it is great to be in Akron, Canton, Massillon, and Alliance. What an area in the great State of Ohio.

I am honored to be on the team in Ohio with Bob Taft. Send him back to Washington for your good and for the country's good. Bob, you have got to win. And then you have your own Congressman in this area. He has done a super job, a fantastic job on your behalf, but a job for America. Send Ralph Regula back to help us.

And now let me speak straight from the shoulder. You have a chance to improve the quality of Congress by sending one of your own, Jim Houston, down to the House of Representatives.

But it is great to be here with Mayor Ballard, with Mayor Cmich.¹ And then I want to thank somebody else who has taken time, along with others of equal prominence. Wayne,² thank you very, very much. All over the country we have had outstanding people like Wayne participate voluntarily. We have had Peter Graves, Hugh O'Brien, Rod McKuen. We have had quality people who on their own have come out and said it is important for America that President Ford win. Wayne, I thank you very much.

Now there is one fellow that came down here along with his beautiful wife, and I want to thank Bill Stanton. Send Bill back to Congress.

But I mentioned a moment ago when I was speaking about your great Governor—and I said there were two great Governors on the platform this morning. And now it is my privilege to introduce to you a man who was a

¹ Mayors John Ballard of Akron and Stan Cmich of Canton, Ohio.

² Wayne Rogers, television and motion picture actor.

judge in Cleveland, a mayor of Cleveland, a Governor of Ohio, and an outstanding United States Senator, Frank Lausche.

You know I come from that State up north, but since 1963 I have been in the State of Ohio 56 times. That's not a bad record. I have been down to Canton on three occasions to the Football Hall of Fame, the football center of the United States. I never made it as a participant, but I respect and admire those outstanding men who have given us a great American sport. Congratulations, Jim.

With the help of Bob Taft, Ralph Regula, Bill Stanton, they got through the Cuyahoga National Park, the first national park in the history of the State of Ohio, and I was honored and pleased to sign that legislation.

As I said a moment ago, this is a crucial election. It will determine the course of events of this country, not only for the next 4 years but maybe, undoubtedly as I see it, the next century, our third century of American history. You know where I stand. I stand for lower taxes, a balanced budget, lower Federal spending, beating inflation, and peace and liberty for the United States of America. And in the last 2 years America has made incredible progress, and we are on our way, and we are going to make more in the next 4 years under Jerry Ford.

In Kansas City, I said we would not concede a single vote, we would not concede a single State. We want Ohio, and we are going to win Ohio.

And now let me extend a personal invitation from Betty and from me. We would love to have every one of you down to Inauguration Day on January 20, when Jerry Ford and Bob Dole are sworn in as President and Vice President.

There are many issues at stake in this election, but let me take two—one that means whether we have peace or a lack of security in this country; the other involves the health of our economy.

In the first debate, Mr. Carter said he would anticipate a \$60 billion surplus in the Federal Treasury. He said that he would spend that \$60 billion for a whole raft of new Federal programs. In that same debate, I said if there is a \$60 billion surplus, I want a tax reduction for the American people.

President Ford is for the little taxpayer and President Ford is against the big tax spender. I have been firm; I have been consistent. The best tax reform is tax reduction. The middle-income taxpayer in this country—over 50 percent of us—have been shortchanged in the last 10 years by the actions of the Congress, and we are going to change it in the next session.

Mr. Carter, in the last 2 or 3 days, in discussing tax reduction, has said: Perhaps we will have a tax reduction—if we have a tax reduction. It is a clear

distinction between him and President Ford. I have consistently, firmly, said the American people should and will have a tax reduction so we can stimulate the economy, so we can give you a better chance to spend that hard-earned cash that you deserve in your pocket and not in the Federal Treasury.

In January of this year, 1976, I submitted to the Congress a \$28 billion tax reduction package. I said in order to do it honestly and conscientiously, the Congress had to go along with a \$28 billion restraint in Federal spending. Included in my tax reduction proposal is the kind of tax reduction that is meaningful to the middle-income taxpayer. I recommended that we increase the personal exemption from \$750—which it is today—to \$1,000.

Let me tell you what that means. The other day I went through a plant and I was talking to some working men on a production line. And one of them said, "President Ford, what does your tax reduction proposal mean to me and my family?" I said, "How many children do you have?" He said, "I have got three kids." It turned out that he had himself, a wife, and three children. I said, "Get out your pencil." It means that if Congress had acted responsibly, we would have had for that man and millions and millions and millions of other taxpayers the opportunity next April to sit down and figure out in his case that he would have gotten \$1,250 more in personal exemption, money that he could have spent for himself and his lovely family.

That's our tax proposal—tax reduction. And on January 3, when Congress reconvenes, they are going to have that tax reduction proposal on their desk, and if they don't pass it in 1977, we will send it right back up in 1978. And if that Congress doesn't pass it in 1978, you and I will go out and beat them in the next election in 1978.

But, there is another big difference. I am proud to stand before you and say that I am the first President since Dwight D. Eisenhower who can go to the American people to seek their support and say America is at peace. Under our administration—yours and mine—we have the finest Army, Navy, Air Force, and Marines, and we are going to keep them number one.

Mr. Carter wants to cut the defense budget by \$5 to \$15 billion. That is too big a gamble for America's security. And I want to pledge to you that in the next 4 years we are going to keep America number one so we can preserve the peace, deter aggression, meet any challenge. That is the kind of defense program I stand for and you stand for and America stands for.

On August 9, 1974, I stood in the East Room of the White House and took an oath of office to be your President. I had not sought this high office. Betty held the Bible, and I placed my hand on it and I said afterwards—because

America was troubled, we were divided, there was anger, there was division—after having taken the oath of office, I said, “I know that you have not elected me by your ballots. I ask you that you confirm me with your prayers.”

And with the help of your prayers in the last 2 years, we have gone from inflation of over 12 percent to under 6 percent. With your help and support, we have come out of the worst recession in 40 years. With your help, we have restored trust and confidence in the White House, because I can look each and every one of you in the eye and say I have been candid, straightforward.

But most of all, I can stand here with pride and say with your help and, yes, your prayers, America is at peace, not a single young American is fighting or dying on any foreign soil today, and we will keep it that way for the next 4 years.

But now we come to the crucial 24 hours. How many of you can remember, I’m sure, in either Canton or Akron or Alliance or Massillon that on July 4 you had a wonderful celebration in honor of our 200th birthday? Our forefathers gave us the greatest document for the governing of people in the history of mankind. Our forefathers have given us the kind of a government that is good for freedom and liberty.

We celebrated what they gave to us, but now—beginning tomorrow—we have an opportunity not only to read history but to make history. So, we come down to the bottom line. I know America is on the move. America has a new fresh look. We are together. We are united. So tomorrow, when you make that fateful decision, I ask you not only to confirm me with your prayers but I ask you to confirm me with your ballots. I won’t let you down.

Thank you very much.

NOTE: The President spoke at 10:25 a.m. at the Firestone Hangar, Akron-Canton Airport.

1005

Remarks at the Ohio State Capitol in Columbus.

November 1, 1976

Thank you very, very much, Governor Jim Rhodes, Mayor Moody.

Let me express my deep appreciation to Congressman Sam Devine, Congressman Chalmers Wylie, Congressmen Clarence Brown, John Ashbrook, and Bill Harsha. I want you to make sure you elect them and reelect them for the benefit of Ohio and the United States.

But I want also, for the benefit of this great Buckeye State and for the benefit

of our great country—you send Bob Taft back to Washington as your next United States Senator.

You know this all began right here, right in front of the Capitol, and local and State government is vital, and so I urge you—elect Bill Brownfield to the State senate.

It is great to be in Columbus, the home of two of my good friends who represent excellence. First, Jack Nicklaus, a great supporter of mine—I thank him for that help and assistance. And then, also, one of my best friends, the kind of a person who represents excellence not only in coaching but excellence in character. He believes in winning, and that is what we are going to do. Thank you very much, Woody Hayes.¹

You know, I come from that State up north. [*Laughter*] But since 1963 I have visited the Buckeye State 56 times, and I love you. I had the honor and the great privilege of speaking at a commencement at Ohio State in the fall of 1974—it was a great experience—but I have also come to Columbus and all of the other places. And you know what? Columbus likes to be, along with the great State of Ohio, on the side of a winner. So let's make it a homerun, a touchdown tomorrow for the winning team, Jerry Ford and Bob Dole.

But there are several other people that I would like to recognize and indicate to them and to all of you my appreciation. First, we have on this platform one of the three greatest Governors in the State of Ohio, John Bricker.

And may I say, incidentally, from the appearance here of this great crowd and from the wonderful rally that we had in the Akron, Canton, Alliance, Massillon area earlier this morning, I am going to issue all of you an invitation. Betty and I want all of you to come down to that inauguration on January 20 when Jerry Ford and Bob Dole are sworn in as President and Vice President.

Now let me introduce to you, for some remarks, a person well known to you, who was a judge here in the State of Ohio and Cleveland, who was your Governor—and one of the three greatest Governors in the history of Ohio—who was a United States Senator. And now it is my privilege to introduce a close, personal friend whose support I really appreciate—your former Senator, your former Governor, Frank Lausche.

[*At this point, Frank Lausche announced his support of President Ford. The President then resumed speaking.*]

An endowment like that from one of Ohio's great, great citizens means a great deal to Jerry Ford, and I promise you, Frank, I won't let you down.

As we enter this critical last 24 hours—and this is one of the most critical

¹ Jack Nicklaus, professional golfer, and Woody Hayes, head coach of the Ohio State University football team.

elections in the history of the United States; it is the election that will set our course for the first 4 years of our third century—I want you to know where I stand. I stand for lower taxes, more jobs, a balanced budget, lower Federal spending, beating inflation, a clean environment, peace and liberty for the United States of America. From your ranks I come, and with you I stand.

In the last 2 years our great country, faced with adversity, has made an incredible comeback. When I spoke to you and to the American people in Kansas City, I said I would not concede a single vote, I would not concede a single State.

Ohio is going to be on the right side. We are counting on that Buckeye State to be with us tomorrow. With our momentum, let's do it, a homerun.

I love that enthusiasm and applause, but take just a minute—let's hear a pin drop—because I want to talk about some of these, or at least two of the critical issues where I strongly differ with my opponent.

First, taxes. In the first debate my opponent said that we could anticipate a \$60 billion surplus in the Federal Treasury. He said in that debate that he would spend that \$60 billion for more programs, piling one on top of another. In that debate I said if there is a \$60 billion surplus, I think it ought to go for a tax reduction to the middle-income taxpayer.

I can stand here and say with good conscience that President Ford stands for the little taxpayer and President Ford is against the big tax spender. Within the last several days Mr. Carter has been pressed. Does he want a tax reduction or not? He says, if, perhaps. President Ford has been on the line, talking straight from the shoulder saying, yes, the middle-income taxpayer has been shortchanged.

I recommended to the Congress in January that we ought to have a \$28 billion tax reduction along side of a \$28 billion restraint on Federal spending—for every tax dollar in reduction, a dollar reduced in the rate of growth of Federal spending. The Congress gave you half a loaf. They didn't go along with my proposal to increase the personal exemption from \$750 to \$1,000.

Now let me tell you what that means. It means that the middle-income taxpayer—50 percent of those that pay our taxes—would get, and let me illustrate it with an incident that happened: I was in a factory the other day, down a production line, and one of the men said to me, "President Ford, where do you stand on taxes?" I told him how I wanted to increase the personal exemption. I said, "How many children do you have?" He said, "I have got three." I said, "If you have a wife, three children, and yourself, if Congress had acted responsibly, next April when you made out that income tax return, you would

have had, under President Ford's tax reduction program, \$1,250 more in personal exemption for you to spend and not have in the Federal Treasury."

Now Congress didn't do it. But on January 3, when that next Congress convenes—and I want all of this good Ohio delegation back there to help me—I will have on their desk a tax reduction proposal that will include the increase in the personal exemption; it will increase jobs incentive legislation to help industry expand, to modernize. And if that Congress doesn't pass it in 1977, they will have it on their desk in January of 1978, and if they don't give that kind of decent, equitable tax reduction in 1978, I will join every one of you trying to beat them in that election in 1978.

But now let's talk about defense. Today the United States, with our Army, Navy, Air Force, and Marines—we are number one. And under President Ford we are going to keep them number one. I have recommended appropriations so they will have the best weapons, the best leadership, the best training. That is the way to keep the peace. And under President Ford, with the strength that we have, we will strengthen our alliances. We will be able to look our adversaries straight in the eye, and they will respect us.

But let me say, you make a great contribution in the city of Columbus, because in the recommendations that I made for a strong defense—and that is the way you keep the peace—that we have a B-1 bomber to replace those aging B-52's that are now 20 and 25 years old. If we don't get the B-1 bomber as an instrument of peace, the President in the next 5, the next 10 years, if we continue to rely on the B-52's, will be sending our young combat pilots to protect us in aircraft older than they are, and that is not going to happen under President Ford.

I am proud to stand before you and say that I am the first President since Dwight D. Eisenhower who can tell the American people that America is at peace. I am proud of the fact that not a single young American is fighting or dying on any foreign soil today. And we are at peace because the United States is strong. We are not at war because the United States is strong.

And let me say, wasn't it a great, great celebration on the Fourth of July when America celebrated its 200th birthday? I happened to have the privilege to fly over New York Harbor and see those "Tall Ships" coming in, representing many, many countries. And why did they come to the United States? Because they respect America. And we are proud of America, and we will continue to be proud of America.

But now as this great campaign comes to a conclusion, I have the feeling that we have reunited as a people. When I became President, people were

angry, divided, disillusioned. I will never forget that day in the East Room of the White House when I put my hand on the Bible held by my wife, Betty, and took the oath of office when America was troubled.

Yes, we were in trouble. Inflation was over 12 percent. We were still involved in Vietnam. There was a loss of confidence in the White House itself. We were on the brink of the worst recession in 40 years. And after having taken the oath of office to be your President, I said, since you have not elected me by your ballots, I ask you to confirm me with your prayers.

With those prayers we put the ship of state on a steady keel. I had a firm, commonsense hand on the tiller, and we have made incredible progress in the last 2 years. We have cut inflation by better than 50 percent. We have added 4 million jobs; we have 88 million people working today, the most in the history of the United States. We are at peace, and we are going to keep the peace.

And I can say with pride to all of you and to my former colleagues in the Congress—Bob Taft, Sam Devine, Chalmers Wylie, Clarence Miller, Bud Brown, Bill Harsha, Willis Gradison—that we have restored that confidence in the White House. I have been open, candid, frank.

And now, as we come to the final quarter—in fact, the final minutes—of this great campaign, you have a critical decision to make tomorrow. It couldn't have been put better than the way Frank Lausche put it.

But let me add, I have been proud to be your President during troubled times. I want the opportunity to build on that firm foundation, to keep America moving.

Therefore, I ask when you go to the polls tomorrow that you not only confirm me with your prayers but you also confirm me with your ballots. And I won't let you down.

NOTE: The President spoke at 12:30 p.m.

1006

Remarks on Greeting Students at the Fort Hayes Career Center in Columbus. *November 1, 1976*

LET ME say that coming to the Fort Hayes Career Education Center is a real thrill and a great experience for me. I would like to stay and get to know all of you better and to see all of the wonderful opportunities that you are getting through the leadership of people like Jim Rhodes, your great Governor, your

mayor, Members of Congress and, of course, the faculty—Jack Gibbs and all of those who have worked so hard to see to it that young people like you have a real opportunity to develop your talents in areas where there are great career opportunities.

I can't help but think what a wonderful vocational educational facility like this means to the future of America, to hear the rendition of "The Lord's Prayer" and "I Could Have Danced All Night." I was thinking that I hope Betty and I can dance all night tomorrow night. [*Laughter*]

But the main thing is that all of you are learning occupations which will give you great personal satisfaction. It will give you a great inspiration to become the best in your respective fields. And excellence—regardless of what part you play in our great society—excellence is the achievement objective that I hope all of you have.

I have great respect for technicians, I have great respect for educators, I have great respect for all people in our society that make a contribution among 215 million Americans—the greatest country in the history of mankind. We should be proud of it, as we are.

I was also thinking, as I went from one of your places to another within this facility, how great it is that we can be putting young people like you into making plowshares, not weapons of war. This is what we want with the peace that we have in America. Yes, we have to do certain things to be strong, to maintain the peace. But all of you are devoting your best talents, your fine leadership to things that are constructive in America. And I congratulate you, each and every one, and wish you the very, very best as you move ahead in your career and in your lives.

I have great faith in the younger people in this country. Betty and I have three boys and a little girl—she is not so little anymore, but we still think she is—and they are just like you. They want to get out and participate in our society to make America better, like all of you are trying to do.

So, I thank you for your hospitality here at the Fort Hayes Career Education Center. And as I look at every one of you, I have faith in you; I know you will do a great job. And America is proud of you, and I know you are proud of America.

Thank you very much.

NOTE: The President spoke at 2:10 p.m. In his remarks, he referred to Jack Gibbs, director of the center.

Prior to his remarks, the President toured the center's facilities.

1007

Remarks on Arrival at Detroit, Michigan.*November 1, 1976*

GEE, it is nice to be back. It is nice to be back in Michigan.

Within hours after I received the nomination in Kansas City, I told Betty that I would open this campaign at home. It is the best way that I could say to my friends and the citizens of my home State, thank you. Thank you for all that you have done for me the past 28 years.

I said in my acceptance speech, the speech to the American people, it is from your ranks that I come and on your side that I stand. There is no place on the Earth where that statement is more true than among all of you here in Michigan today.

I am the first son of Michigan to serve as President of the United States. I am part of this great State, its people, and its belief in America. You first sent me to Congress 28 years ago, and in those 28 years my deep feelings for Michigan have matured into a total loyalty as well as a deep love.

I come to you now to seek your support for my election to the highest office in the land. I know you will support me as you always have. May I tell you how important that really is? Someone once said you can tell a lot about a man by the way his family feels about him. Michigan is my family.

From the kids—Mike, Jack, Steve, Susan—from Betty and of course from myself, thanks from the bottom of my heart, for your wonderful support, your continued prayers, and your belief in Jerry Ford.

Thank you very much.

NOTE: The President spoke at 4 p.m. at Detroit Metropolitan Airport.

1008

Remarks in Livonia, Michigan. *November 1, 1976*

Thank you very, very much, Governor Bill Milliken, Bob Griffin, Congressman Marv Esch, Lieutenant Governor Dammen and, of course, my wonderful wife, who I have just met at the Detroit airport, Betty Ford.

Let me take just a minute before saying something about the election. It is just great, of course, to be home in Michigan and to see some of the Michigan football greats—Ron Kramer, Bill Freehan—and Johnny Orr, the great basket-

ball coach. But there are some other people that I would like to express my appreciation to, individuals who in their own business or their own area of talent have contributed significantly to this momentum that we have going. You have, I guess, been introduced to them: Hugh O'Brien, Wayne Rogers, they are great. Of course, when I came off the plane and Betty was at the stairs meeting me, there was the great Chuck Connors, and I thank Chuck, too.

But we have had some others who have traveled the length and the breadth of this country, because they believed in what I stood for: Peter Graves—you have known him from "Mission: Impossible"—and then one of those fabulous people on television, also from sports, Joe Garagiola. He has been fighting for Jerry Ford for the last 10 days. Thank you.

I want to say two things to you: You are going to lose a great Congressman in Marv Esch, but he is going to be a great Senator, and you send him back to Washington, D.C. But you can't leave a void. You have got to have a good replacement, and I hope and trust that you will send Chuck Pursell to replace him.

I can't express deeply enough—I hope you will be quiet enough to hear a pin drop—between now and 8 o'clock tomorrow night, when the polls close in Michigan, you and millions like you in the great State of Michigan are going to help make a basic decision that could well turn the tide as to where this country goes in the next 4 years. And, yes, it could be a decision that would affect the next 100 years.

So, I ask you to listen to where I stand: I stand for lower taxes. I stand for more jobs. I stand for a balanced budget. I stand for less Federal spending. I stand for winning the battle against inflation. I stand for a clean environment. I stand for less crime. I stand for peace and liberty all over the world, and that is where we are today.

Let me phrase it this way: From your ranks I come, and with you I stand—and will—for the next 4 years.

In the last 2 years America has made incredible progress. In Kansas City I told the American people I would not concede a single vote, I would not concede a single State. I don't intend to concede Michigan. We are going to win it in Michigan.

And now, listen carefully. You may miss something. On the way over here from the airport, Betty and I had a little conference. We decided that all of you wonderful people had our personal invitation to come to the inauguration of Jerry Ford and Bob Dole on January 20.

There are many, many issues that I could discuss, but let me take just two. In the first debate my opponent said there would be a \$60 billion surplus in the Federal Treasury. He made a commitment. He said if we have a \$60 billion surplus, we are going to spend it on program after program after program. That is his point of view. You know what I said in that first debate? I said if there is a \$60 billion surplus, I am going to give it back to the American people in a tax reduction.

On taxes—I believe the best tax reform is tax reduction. The middle-income taxpayer in America has been shortchanged, and we are going to change it in the next Congress. Jerry Ford is for the little taxpayer, and he is opposed to the big tax spender. On taxes—the last couple of days my opponent has said perhaps we can have a tax reduction. My opponent has said if, if, if, if we can have a tax reduction.

I will tell you where I stand. I have been consistent. I have been firm. The American people, the middle-class people, the middle-class taxpayers need tax relief, and they are going to get it under Jerry Ford. As a matter of fact—again, listen now, listen, because this affects you—last January, as Bob Griffin, Marv Esch, and all the other fine Members of Congress know, I recommended to the Congress that the Congress, in order to give equity and fairness to the middle-income taxpayer, we should increase the personal exemption from \$750 to \$1,000.

The other day I was walking through a plant, talking to people on the production line, and one of the men said, “President Ford, what will you do for me and my family?” I said, “Well, how many kids you got?” He said three. I said, “You got a wife?” He said, “Sure, and I love her.” Then I said, “All right.” I said, “If the Congress had been responsible in the last session and done what I recommended they do, you, next April, when you made out that income tax return, could have taken \$1,250 more in personal exemption, and you could have spent it instead of having some bureaucrat spend it out of Washington, D.C.”

Listen to this—you are a great audience, I love you—when Congress reconvenes next January 3, I am going to have that tax reduction proposal on their desk. Now, if they don’t pass it in 1977, we will have it on their desk in 1978. But if they don’t pass it in 1978, you and I are going to go out and beat them in the 1978 election.

Let’s talk about one other big issue. I am the first President—and I am proud to say it—who can stand before the American people since Dwight D. Eisenhower and say America is at peace. But we are at peace in America because

America is strong. Our Army, our Navy, our Air Force, our Marines are number one, and we are going to keep them number one.

Now, my opponent, he wants to cut the defense budget by \$5 billion or maybe \$15 billion. Let me tell you, that is too big a gamble for the security of the United States, and President Ford won't take that gamble. One of the greatest accomplishments of this administration is that because we are strong, strong internally and strong externally, there is not a single young American fighting or dying on any foreign soil tonight, and we are going to keep it that way.

On August 9, 1974, I stood in the East Room of the White House and took the oath of office. Betty held the Bible. After that was over and as I realized the troubled times we were in—with inflation over 12 percent, with America still involved in Vietnam, with us on the brink of the worst recession in 40 years, and trust and confidence in the White House gone—I made a few remarks to the American people. I said, among other things, "I know that you have not confirmed me by your ballots, but I ask you to confirm me by your prayers."

In those 2 tough years since August 9, we have made incredible progress in this great country. Reflect for a minute on our 200th birthday. It was a great occasion, where all over America we found that there was a new togetherness. We could disagree without being disagreeable. We could move forward as we have, shoulder to shoulder and arm in arm. That spirit is infectious, and America is on the move. I thought then—as I did on August 9—how wonderful the people of Michigan have been to give me the chance to serve not only Michigan but to serve the people of 50 States. Everything I have in politics comes from you, and I express my deepest appreciation and gratitude.

But now we have that crucial decision to make. America is respected. Some of you may have seen those "Tall Ships" in the harbor of New York. Ship after ship, from country after country, had come to pay respect to the greatest country in the history of mankind, the United States of America.

Now, between right this minute and 8 tomorrow night, you have that critical decision to make. Tomorrow, yes, you can confirm me by your prayers—and your prayers truly help—but now you have the opportunity to confirm me with your ballots. I ask for your support, and I promise you from the bottom of my heart I will not let you down.

Thank you very much.

NOTE: The President spoke at 4:38 p.m. at Wonderland Center.

1009

Remarks at a Rally on Arrival at Grand Rapids, Michigan. November 1, 1976

WOULD you please be very quiet for just a minute? I would hope that we might even hear a pin drop.

I don't think that I can adequately express in words tonight Betty's appreciation and mine for this tremendous welcome to the home that we love so much, Grand Rapids.

I have made a lot of speeches, and this is the hardest one to make, because as I look out in this audience and as I saw so many people as we came down Monroe Avenue—Democrats, Independents, Republicans—people that Betty and I lived with, that Betty and I love, that I tried to help over the years when I had the honor of representing this great congressional district, I could tell you some stories about how the tough problems came to our office. And we never asked the person that walked in that office whether he or she was a Democrat or a Republican. We said, what can we do to help you, and that is the way I want to be your President.

You know, those wonderful experiences over a period of time, of taking that trailer down through Ottawa County, Ionia County, Kent County, and sitting and listening to wonderful people who had a problem, who wanted to give me a little trouble, give me a hard time—and they did—but also we had a couple of friends that might come in and say nice things about us. But the wonderful experience of representing the Fifth Congressional District will be something that I will never forget, and I thank you for the opportunity.

You know, I had a speech I was going to make, but I threw it away. [*Laughter*]

But I have got a couple of friends that I would like to introduce to you and to suggest that you can help me if you help them. First, I would like to recommend, because I know him, because I know the job he has done in Congress, I would like to recommend to you that you vote tomorrow for Marv Esch for the United States Senate. Then I would equally say it would be very helpful to me as your next President if you would send Hal Sawyer to represent you here in the Fifth District.

As we came off the expressway, we went down College Avenue and Betty said, "I went to Fountain School." We went right by it. Then we went by

Central High School, but then, you know, I said to her, "Well, South High, that was a great school, too." [*Laughter*]

But anyhow, Grand Rapids, Kent County, Ottawa County, Ionia, well, all of them—western Michigan can make the difference and this is what I want you to know and what I think it is all about tomorrow.

You know, on August 9, 1974, I was sworn in as your President. You know better than anybody in this country, I never sought the office, but circumstances put me in the position where I stood in the East Room of the White House. Betty held the Bible open; I put my hand on it. I took the oath of office at a tough time, when there had been a great loss of trust in the White House itself. We had high inflation. We were on the brink of a recession. We were still involved in Vietnam. But with some apprehension I walked over to the Oval Office. But before doing so, I said to all Americans, not just to you from here, that you had not elected me by your ballots, but I prayed that you would confirm me with your prayers. And you did.

We went through troubled times for the last 2 years. But because you stood with me, because you prayed with me, because you believed in America, because you had strength and faith—and 215 million other Americans—we have turned things around, and we see brighter skies, and we see greater opportunity. We see, as we saw on July 4, when there was a great spirit that was expressed in America, our 200th birthday, all of a sudden, Americans—Democrats, Independents, and Republicans—came to the conclusion that we not only could read history—and it was a great history—but more importantly, together, regardless of our political persuasion, we could write history for the third century of America's great history, and we will.

It is so nice to be back here where I see Bill Milliken, I see Bob Griffin, I see Bob VanderLaan,¹ I see all the people that I grew up with, that Betty grew up with. You know, it is hard to express one's deep sentiments about a community and an area that has been so good to us.

So, as I conclude these totally prepared remarks—[*laughter*—tomorrow each and every one of you have a great decision to make. I suspect it might be the right one.

Let me conclude with just this final comment: Betty and I have been honored to represent this part of the country—but all America—in the White House during the last 2 years, and they have been troubled, and they have been tough. But we kept the ship of state on the right course, and I tried to keep a firm, commonsense hand at the tiller. And the net result is, things have turned

¹ Governor of Michigan, U.S. Representative, and Michigan State Senator, respectively.

around. America has made incredible progress in the last 2 years. But we are just moving. We are going to get better. We are going to make America what our forefathers said it would be.

When I was sworn in, I asked for your prayers. I said you hadn't elected me. But tomorrow all of you in this great area of western Michigan can really decide the election. You can decide the election in Michigan.

In Kansas City I said I wouldn't concede a single vote, I wouldn't concede a single State—and I don't concede Michigan to the opposition. Western Michigan can turn the tide. Western Michigan can decide the fate of the next 4 years in this country. It will make the difference in Michigan. It will make the difference in the election.

And so, I say to you calmly, from the depth of my appreciation: Tomorrow, yes, I want your prayers for confirmation, but tomorrow I ask that you confirm me with your votes, and I won't let you down. I promise that.

Thank you.

NOTE: The President spoke at 8:20 p.m. at the Pantlind Hotel, following a parade motorcade from the Kent County Airport.

1010

Remarks at Dedication Ceremonies for the Gerald R. Ford Health and Physical Education Building at Grand Rapids Junior College. *November 1, 1976*

Thank you very much, Phil, Congressman Guy Vander Jagt, Mr. Godfrey, reverend clergy, students, faculty and guests:

You don't know how much it means to Betty and to myself to come home and see this wonderful turnout. Of course, the welcome we received from the airport to the Pantlind Hotel will be indelibly impressed on our minds. I saw, as Betty did, literally thousands of people that we grew up with. She went to Central, and I went to South, but we get along pretty well and have for 28 years.

But mainly to see the great changes that have taken place in Grand Rapids since we were young—this is a great and growing community. It has the same strong character that it has always had, but it has changed with the times.

I can vividly recall when I got through South High in 1931. Those were tough times. A few of you can remember them. I literally almost had an opportunity to come to Grand Rapids Junior College, and I knew what a great

president of the junior college there was in Arthur Andrews. But an old and dear friend of mine, the principal at South High, he somehow found in the bookstore's student loan fund 100 bucks so I could pay my tuition to go to the University of Michigan.

But I always had a fond, fond memory of the junior college, and Betty just lived around the corner from here. But this is one of the great junior colleges of this country. I can recall on the floor of the House of Representatives about 10 years ago when there was a movement in the Congress of the United States to expand what they called then community colleges. They talked about what they would do and how they had a great role to play in the educational system of this country. I said, "Heck, we got the best doggone junior college in the country. We proved it in Grand Rapids."

So, I had a little connection with athletics. I played football at South back when the ball was round. [*Laughter*] Paul Goebel used to give me a hard time when he was officiating and tell me to kind of obey the rules a little bit. But we used to like to win, and that is what this country is all about—competition. It is good for America; it is good for schools; it is good for students; it is good for us. And that is what makes America great today.

Although Arthur Andrews was a super, super president, Frank McCarthy did a tremendous job. And now you have a fine president in President [Richard] Calkins, and I congratulate all of you. I know the board of education kind of stretched the rules a bit, but I am deeply grateful that there will always be my imprimatur on this wonderful facility of health and recreation and physical education.

I happen to believe that your gymnasium, your natatorium, your handball courts, your other facilities here will contribute significantly to the kind of development, physically as well as mentally, and I happen to believe that in the world we live today you have got to be strong physically as well as mentally.

This facility represents the best, and it came from the people of Grand Rapids, the people who have been for so long so generous in making this a great community. And that is why Betty and I love the community and love you all.

But I would be remiss if I didn't mention one other name. He was close to me, although he never coached me. But there is one person I think whose name is likewise indelibly impressed upon the history of this great institution, and that is John Boss, one of the great, great members of the teaching profes-

sion. He may not be remembered by the younger, but by some of us he was a super guy.

So, either educationally or athletically, you are number one, we are proud of you, and I am indebted to all of you for making it possible for my name to be identified with this great institution and this wonderful facility.

Thank you very much.

NOTE: The President spoke at 10:10 p.m. In his opening remarks, he referred to Phillip E. Runkel, superintendent of schools for Grand Rapids, and Richard Godfrey, president of the Grand Rapids Junior College Faculty Association.

1011

Remarks on the Eve of the Presidential Election.

November 1, 1976

[Recorded October 30, 1976. Released November 1, 1976]

TOMORROW is a very crucial election. But tonight America is strong, America is free, America is on the move. But 2 years ago America was in deep trouble. When I became President, inflation was over 12 percent. We were on the brink of a serious recession, the worst in 40 years. There had been a loss of trust in the White House itself. We were still involved in Vietnam.

When I took the oath of office in August of 1974, I said I had not been elected by your ballots, but I asked that you confirm me by your prayers. Those prayers really helped.

In the meantime America has turned around. I put the ship of state on an even keel. I held a firm hand on the tiller for a steady course. Today we are doing much, much better. The rate of inflation has been cut by more than 50 percent. The job picture is getting better. We have added 4 million more jobs in the last 18 months. Eighty-eight million people are working today. We have restored confidence and trust in the White House itself, and America is at peace. Not a single young American is fighting or dying on any foreign soil tonight, and I will keep it that way for the next 4 years.

We have two major problems: One, to keep America strong, to meet the challenge of any adversary, to strengthen our alliances. And I pledge to you that the United States will remain number one. Our Army, Navy, Air Force, and Marines will be the best, as they are today. Some people have wanted to cut the defense budget. That would be a big gamble. I believe that the way to

keep the peace is to keep strong, but in order to keep our domestic economy strong, we need additional tax reduction.

Last January I told the Congress they should cut your personal taxes. I think the best tax reform is tax reduction. I recommended that your personal exemption be increased from \$750 to \$1,000. Congress didn't do its job, but on January 3, when Congress comes back, I will have the tax reduction proposal on their desks so that they can give the middle-income taxpayer, who has been short-changed, the kind of tax reduction that that group in our society so badly needs.

But, in addition, we have some other problems. We will do a better job in the next 4 years in making certain that the victims of crime are protected and that the criminal goes to jail. We will do a better job to help our older people, who have earned our respect and our support. We will do a better job in meeting some of the problems of our major metropolitan areas.

We have a lot of things to do, but we are in shape to do it now that we are over the hump of the tough last 2 years.

So, we come to the final round in this election. I want your prayers, as you gave them to me 2 years ago. But I would hope that you would confirm me this time by your ballots. I promise you, I pledge you, that I will not let you down.

Thank you, and good night.

NOTE: The President's remarks were recorded aboard Air Force One while flying from Houston, Tex., to Philadelphia, Pa. The remarks were broadcast on radio and television.

1012

Remarks While Awaiting Presidential Election Results.

November 2, 1976

IN THESE last hours I'd like to share with you some personal thoughts about today's election. To all of us, the outcome is important, because the choice is final.

I believe I offer experienced leadership; you will have to decide whether my opponent can make the same claim. I think my approach could properly be called steady and dependable; it is my opinion that, even as I speak to you, his claims are unclear and untested. To single out just one issue, my course promises a lid on spending and a tax cut for every American family; Mr.

Carter's approach shifts with the wind, leaving me with the feeling that we, the American people, could be left high and dry.

To stay on our steady and dependable course, I need your help; I need your vote. To me it is more than a choice between different approaches to government; it is the test of our political system, a test of the qualities we Americans seek in our leadership.

For these past 2 years I have been careful never to promise what I could not deliver. It has been my goal to inspire your confidence in America through solid performance rather than through mere words. And in these past 2 years I think America has come a long way back: We're at peace in our world, we have peace of mind here at home, inflation has been cut in half, we've set a peacetime record of 4 million new jobs in 17 months, and honor has been restored to the White House. I'm proud of that extraordinary comeback, and I think America should be too. You all did it. And I think we can be proud.

So now that our comeback has brought us to the threshold of a better quality of life, the choice is yours to make. I hope you will choose continued leadership. This is my fondest hope: to continue to serve the people of this country that has blessed me in so many ways.

The White House has affected every person ever to serve in it. Many have added to its wisdom. Some have succumbed to its power. Most have risen to its challenge. In my own case perhaps it is the unique conditions of my service that have most influenced my thoughts. Perhaps only one who came to the Presidency without being elected can care as deeply as I do to use that power without ever abusing your trust. Perhaps only one who has served as your President without your mandate can desire as strongly as I do to serve as your President with your mandate.

This election comes at the end of our second century and also at the beginning of what can be a new generation of freedom where individual Americans can know the blessings of freedom without the intrusions of a government trying to be all things to all people.

NOTE: The address was broadcast over the Mutual Radio Network. The text of the remarks was released at Grand Rapids, Mich.

1013

Remarks at an Unveiling Ceremony for the Gerald R. Ford Mural in Grand Rapids, Michigan. November 2, 1976

Thank you very, very much, Guy, Bobbie Butler, Dave Menhey, and, of course, Paul Collins, reverend clergy, ladies and gentlemen—and I understand Bob Griffin is somewhere in the midst here—and Bob, of course:

After the comments made by Bobbie Butler, the comments by Paul Collins and those by Guy Vander Jagt, I'm just overwhelmed. And if I had any good sense, I'd sit down. [*Laughter*] But I do feel an obligation to thank many, many people here, and I'll try and condense it.

First, I want to thank the Bethel Pentecostal Church Choir for the concert they put on and the singing they've done here this morning. I thank you very, very much.

Then, I understand that the students at the Jefferson Elementary School went out and sold popsicles to try and raise money to make this mural a reality. I want to thank all of them and express to them my deep appreciation for their special effort.

As I was sitting here and looking at what Paul Collins has done, obviously it brought back many, many, many memories, and I could tell a little story about each and every one of them. Those details aren't important. It's what Paul has so beautifully indicated there, that's what means so much to me.

Paul, I just can't adequately express my gratitude and appreciation to you for bringing my life to this wonderful airport and for so many people to see. But the main thing is—and I think I express it for Betty—it expresses our lives, not only our lives and that of Mike, Jack, Steve, and Susan but our personal relationship with so many of you here and so many thousands who aren't here who we grew up with, who we consider our friends, regardless of respective circumstances in life or regardless of political ideology.

I could take hours to relate some wonderful experiences that I've had in my lifetime here in Grand Rapids, Kent County, Ottawa County, Ionia County, the State of Michigan. But there are two people I would like to mention. I guess the name will be "The Gerald R. Ford Mural." And in the years to come, I expect to come by and come in and out of this airport, and I will see that mural. But it will mean much to me because of the name Gerald R. Ford and Dorothy Ford, my mother and father. I owe everything to them and to the training, the love, the leadership. And what has ever been done by me in any way whatso-

ever, it's because of Jerry Ford, Senior, and Dorothy Ford. And that's what that mural will always mean to me in the years ahead.

So, I thank you all and express to you as deeply as I can, to Dave, to Paul, to Bobbie, and to Guy, of course, who had really the inspiration to start it all, but mainly to all of you who mean so much to Betty and myself.

Thank you.

NOTE: The President spoke at 11:42 a.m. in the passenger building at the Kent County Airport, where an 8-by-18-foot mural depicting stages of the President's life was unveiled and presented to the President by artist Paul Collins.

In his opening remarks, the President referred to Representative Guy Vander Jagt, Mrs. Bobbie Butler, chairman, and David Mehney, finance chairman, the Gerald R. Ford Mural Committee, and Senator Robert B. Griffin.

1014

**Remarks on the Presidential Election Results and Telegram
Congratulating President-elect Jimmy Carter on His Victory.
*November 3, 1976***

IT IS perfectly obvious that my voice isn't up to par, and I shouldn't be making very many comments, and I won't. But I did want Betty, Mike, Jack, Steve, Susan, and Gayle to come down with me and to listen while Betty read a statement that I have sent to Governor Carter. I guess Ron¹ has told you that I called him.

But I do want to express on a personal basis my appreciation and that of my family for the friendship that all of us have had. And after Betty reads the statement that was sent to Governor Carter by me, I think all of us—Betty, the children, and myself—would like to just come down and shake hands and express our appreciation personally.

Let me call on the real spokesman for the family. Betty.

MRS. FORD. The President asked me to tell you that he telephoned President-elect Carter a short time ago and congratulated him on his victory.

The President also wants to thank all those thousands of people who worked so hard on his behalf and the millions who supported him with their votes. It has been the greatest honor of my husband's life to have served his fellow Americans during 2 of the most difficult years in our history.

The President urges all Americans to join him in giving your united support to President-elect Carter as he prepares to assume his new responsibilities.

¹ Ron Nessen, Press Secretary to the President.

I would like to read you the telegram the President sent to President-elect Carter this morning.

[*At this point, Mrs. Ford read the telegram, the text of which follows:*]

Dear Jimmy:

It is apparent now that you have won our long and intense struggle for the Presidency. I congratulate you on your victory.

As one who has been honored to serve the people of this great land, both in Congress and as President, I believe that we must now put the divisions of the campaign behind us and unite the country once again in the common pursuit of peace and prosperity.

Although there will continue to be disagreements over the best means to use in pursuing our goals, I want to assure you that you will have my complete and wholehearted support as you take the oath of office this January.

I also pledge to you that I, and all members of my Administration, will do all that we can to insure that you begin your term as smoothly and as effectively as possible.

May God bless you and your family as you undertake your new responsibilities.

Signed, "Jerry Ford."

Thank you very much.

NOTE: The President spoke at 12:14 p.m. to reporters assembled in the Briefing Room at the White House.

1015

Memorandum Establishing a Federal Energy Management Program. *November 4, 1976*

Memorandum for the Heads of Executive Departments and Agencies

Since 1973, the Executive Branch of the Federal Government has taken the lead in conserving energy. In fiscal year 1976, Federal agencies' energy conservation efforts resulted in savings equivalent to over 285,000 barrels of oil per day.

These impressive results are due to dedicated and serious efforts to conserve energy. I commend you and your employees for fine achievement and the example it sets for all Americans.

For FY 1977, I am establishing a Federal energy conservation goal of using no more energy than was actually used during FY 1975. I am asking each of you to: (1) establish specific plans for energy savings during the coming year, and (2) examine all of your facilities and operations for both short and longer term energy conservation potential and undertake, within your existing budgetary levels, cost-effective projects wherever possible.

I am also directing the Administrators of the Federal Energy Administration and the General Services Administration to work with you to establish individual agency targets and to identify energy conservation projects so as to assure that

overall Executive Branch goals will be achieved. In addition, the Office of Management and Budget will provide guidance concerning budgeting procedures for projects and activities in FY 1979 and beyond.

GERALD R. FORD

1016

Remarks at a Meeting With Members of the Cabinet.

November 5, 1976

Good morning.

It wouldn't be honest if I didn't say that I appreciate the warm applause, and because of the voice, I'm not going to make a big speech. But I do want to thank each and every one of you for the quality of the job you've done, the high quality of the people who sit at this table, and the results that I think we've achieved. I strongly think that in this 2-year period, we have made very significant progress. And a great deal of that is the result of what all of you have done and the people associated with you.

So, we lost a close one, but we have no apologies. And I'm very grateful for the 48 or 49 percent that supported us. And until January 20, we're going to be working at the job.

I thank you all very, very much, and I'm proud that you all were working with me and doing a fine job.

Thank you very much.

THE VICE PRESIDENT. Mr. President, I would say that I think history is going to show that during the most difficult crisis this country faced, you rose to the highest office of the land as President. You took us out of a period of crisis, of disillusionment, of discouragement. Where the economy was going downhill, you turned it around. You restored faith in America, faith in the White House, respect. The economy is on the upswing, our position in the world is clear, and it is thanks to you. And as a citizen I'd like to say thank you.

NOTE: The President spoke at 11:05 a.m. in the Cabinet Room at the White House.

1017

Special Message to the Congress Reporting on Budget Rescissions and Deferrals. November 5, 1976*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I am withdrawing one previously proposed rescission and reporting three new deferrals. In addition, I am reporting revisions to two deferrals previously transmitted.

The withdrawal is for the highway crossing federal projects program of the Federal Highway Administration. The three new deferrals, totaling \$980.8 million affect programs of the Departments of Defense, Health, Education, and Welfare, and the Treasury. The revised deferrals are for programs in the Department of Health, Education, and Welfare and reflect routine increases in the amounts previously deferred.

The details of the rescission withdrawal and each deferral are contained in the attached reports.

GERALD R. FORD

The White House,
November 5, 1976.

NOTE: The attachments detailing the rescission and deferrals are printed in the Federal Register of November 5, 1976 (41 FR 49784).

1018

**Statement on the Death of Alexander Calder.
November 11, 1976**

IT WAS with the deepest regret that I learned of the death of Alexander Calder, whose universally recognized creativity in art brought joy to millions.

Mr. Calder's sculpture and innovative art forms helped evolve an entirely new state of consciousness and demonstrated what American improvisation could achieve.

I am proud that a magnificent Calder is on display in my hometown, Grand Rapids. It has won a place in the hearts of Michiganders, just as the Calder artistry has enriched a world that became Calder's universe.

Art has lost a genius, and the United States has lost a great American who contributed much to the civilization of the 20th century.

Mrs. Ford joins me in sending our condolences to Mrs. Calder and the family.

NOTE: The statement was released at Palm Springs, Calif.

1019

Statement Announcing Accomplishments of the Presidential Management Initiatives Program. *November 18, 1976*

I AM pleased to announce today results and accomplishments from the Presidential Management Initiatives program first announced by me on July 23, 1976.

As a result of the initiatives, some begun earlier, we estimate specific savings to the taxpayers in 1976 to be nearly \$500 million: \$284 million in reductions in government travel costs; \$45 million in energy costs; \$40 million in improved cash management; \$12 million in reproduction equipment and supplies; \$25 million through better space utilization and field office consolidation; and several hundred million from improved personnel management operations. When added up, these and other savings are significant. Widespread waste and inefficiency are among the factors which diminish the public trust and confidence in government.

In addition, we point proudly to the millions of dollars saved by reducing Federal agency paperwork and reporting burdens; by slowing the growth rate of Government funds expended on automatic data processing; by maintaining Federal employment ceilings; and by bringing pay for Federal employees into closer comparability with their private sector counterparts. We also look hopefully at the future savings to the taxpayers to be derived from better agency overhead cost control systems, from greater contracting out of in-house commercial and industrial activities to the private sector, and through major reforms taken in the acquisition and procurement activities of Federal agencies. These billions of dollars in savings, actual and prospective, mean a leaner, tighter, more efficient and more effective Government.

These initiatives build on a broad range of proposals and actions begun early on in my administration directed at improving the management of Government—such as block grants, regulatory reform, improving management in connection with the annual budget process, reorganizing and reorienting the intelligence community. At my direction nearly all departments and agencies are currently seeking ways to improve their decisionmaking processes and

organizational structures, to improve evaluations of their programs, to reduce substantially the burdens imposed by Federal reporting and regulations, to hold down overhead costs, to increase the use of the private sector in carrying out Government's acquisition of goods and services, and to improve personnel management.

Pursuant to my direction, the Office of Management and Budget is issuing a circular which will serve to formally integrate the process for review of agency management plans with the annual preparation of the budget. I consider this a very important step toward better management of the Federal Government and look forward to using the process fully in connection with preparation of the budget for fiscal year 1978, to be submitted in January.

1020

**Remarks Following a Meeting on the Transition With
President-elect Carter. *November 22, 1976***

THE PRESIDENT. Mr. Carter and myself have had about an hour's discussion. I reemphasized to Governor Carter that my administration would cooperate 100 percent in making certain that the transition from my administration to his administration would be carried out in the best interests of the American people. That is my obligation and the obligation of those that work with me, because we are all interested in what is best for the United States. It is my judgment that the transition is working smoothly, but we will continue to maximize our efforts to continue that. And it has been a real pleasure and a privilege for Mrs. Ford and myself to have Governor Carter and Mrs. Carter as our guests on this occasion.

PRESIDENT-ELECT CARTER. Thank you, Mr. President. There cannot have been a better demonstration of unity and friendship and good will than has been shown to me by President Ford since the election. I believe that this year's debates and the election itself has reached a conclusion which leaves our Nation unified. And I've expressed many times in the last few weeks my deep appreciation to President Ford for the gracious way in which he has welcomed me to meet with his heads of departments to teach me about the future responsibilities which I will assume.

It's very reassuring to me, and I hope to the Nation and to other nations in the world, to realize that the transition period will be handled in a way that's

conducive to unity, to harnessing the tremendous economic and political and human strength of our country. And I believe that the transition will be one which will be conducive to peace in our own Nation and peace around the world.

And I'd like to again express my thanks to President Ford and to Mrs. Ford for being so good to us. My wife and Mrs. Ford had a chance to visit this afternoon. Rosalynn has gone back to Georgia, and I will be staying up here until tomorrow. But I do thank you again, President Ford, for making it possible for me to learn in this way and for being so hospitable to me and my wife.

NOTE: The President spoke at 4:45 p.m. on the South Drive at the White House.

As printed above, this item follows the text of the White House press release.

1021

**Message to President Valéry Giscard d'Estaing of
France on the Death of André Malraux.**

November 23, 1976

IN BEHALF of the American people, I extend my deepest sympathy to you and to the people of France on the passing of André Malraux.

France has lost one of her finest sons. Modern civilization has lost a dynamic and creative spirit. The deep concern of André Malraux for his fellow man, his contributions to shaping a better world, and his creativity as a philosopher, novelist, and historian will endure as a lasting memorial.

1022

Special Message to the Congress Reporting on Budget Deferrals.
December 3, 1976

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report four new deferrals of funds totaling \$3.7 billion. Funds deferred were appropriated for the Department of Labor, two International Security Assistance programs, and ACTION.

In addition, I am reporting revisions to two deferrals previously transmitted. The Department of Defense military construction deferral is increased by \$259.4

million and a General Revenue Sharing deferral in the Department of the Treasury is increased by \$11.1 million.

The details of each deferral are contained in the attached reports.

GERALD R. FORD

The White House,
December 3, 1976.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of December 3, 1976 (41 FR 53744).

1023

Remarks of Welcome to Prime Minister Giulio Andreotti of Italy. *December 6, 1976*

PRIME MINISTER Andreotti, I am delighted to welcome you and your party to Washington, D.C., our National Capital.

Mr. Prime Minister, I have long looked forward to this meeting since July, when you took office as President of the Council of Ministers. Since that time you have worked intensely and with great courage and determination on the difficult issues facing your nation and your government. I am extremely pleased that you have found time for this visit and for consultations on the broad range of interests shared by our two governments.

During the last 2 years the United States and Italy have consulted at the highest levels with greater frequency than ever before. President Leone's state visit to the United States in 1974 was the first state visit of this administration. Our leaders have met at NATO summits and economic summits and at the European Security Conference. I remember with great warmth my own trip to your country a year and a half ago and the friendship extended to me on behalf of the American people by the Italian people and by your government.

We are friends. We are allies. We have worked together and solved problems together. We will do so in the future.

Few countries have so special a place in the hearts of the American people. The United States and Italy are committed to freedom and share a firm dedication to democracy. We are both committed to the strength of the North Atlantic alliance and to the reduction of tensions which threaten international peace and stability.

Americans value the constructive role of Italy in the world today and in the past. We deeply appreciate Italy's contribution to NATO, your contribution to

a stronger Europe—working together with the United States—your contribution to the dialog with the developing nations, and your dedication to peace and international understanding.

Mr. Prime Minister, our two governments have made it a priority task to strengthen the North Atlantic alliance. The alliance has made progress in strengthening its defenses, standardizing equipment, and coordination of strategies and planning. Nevertheless, much more needs to be done.

All of us know that the defensive strength and the cohesion of our alliance are crucial to the balance of power in Europe that is so critical to European freedom and international security. Our alliance, of course, has a purpose beyond military defense. The United States and Italy both recognize that Western Europe unity is a pillar of world peace. We must reduce tensions and reduce the possibility of confrontation in Central Europe, where almost 2 million armed men face one another. We must promote mutually beneficial cooperation between Western and Eastern Europe.

The industrial democracies, if we are to be the masters of our own destiny, must work together, for we share basic, common interests on global issues—from defense to energy, the environment, trade, and relations with the developing countries of the world.

Mr. Prime Minister, our discussions on these many issues will be of great value to the United States not only in practical terms but to reaffirm our profound friendship. Few nations are linked as strongly as the United States of America and the Republic of Italy by history, culture, economics, and the emigration of peoples. Our friendship has deep roots that ensure its preservation.

Italy's contribution was one of the highlights of America's Bicentennial celebration. We especially welcomed, Mr. Prime Minister, the visit of Mrs. Vittoria Leone, the First Lady of Italy, when the La Scala Opera came here for its spectacular performance. The American people thank you for this wonderful presentation.

I look forward with great anticipation, Mr. Prime Minister, to our discussions today and tonight. As two democratic allies we have a large area of common ground and many common concerns.

I bid you and your party, on behalf of the American people, a hearty welcome to the United States of America.

NOTE: The President spoke at 10:45 a.m. on the South Lawn at the White House, where Prime Minister Andreotti was given a formal welcome with full military honors.

The Prime Minister spoke in Italian. His remarks were translated as follows:

Mr. President, I am deeply grateful for the invitation you were kind enough to extend to me at a particularly challenging time for my country.

Two years after the visit of President Leone—whom you kindly mentioned—your invitation con-

firms, through the frequency of our meetings, the spirit of close and sincere friendship between the United States and Italy. And I equally thank you for the warm words you just expressed about my country and myself.

The United States and Italy are bound by ties of alliance and cooperation, by harmonious ideals of democracy, and by choices of peace, freedom, and development. The Atlantic Alliance, which binds our two nations in a common objective of defense, represents a guarantee of security for the Western World to which we belong for historical vocation and on account of political choice, which proves to be an essential element of the international strategic balance, a basic condition for a détente policy which will create the basis of a long-lasting peace.

With the same objectives of peace and progress, Italy is engaged, together with its partners of the European community, in a policy of unity which will permit Europe to contribute to the creation of a more just and stable world.

Many elements unite us—the interest in social and cultural progress, in the advancement of science, in respect of men, in the choice of a style of life which guarantees and protects, to the greatest extent, the development of capabilities and potential for initiative of the individual; the awareness, both political and moral, of a necessary interrelationship and solidarity among all nations; the search for international order, which emphasizes at the same time the rights of men and those of nations; a vision of international relations which aim, to quote the unforgettable words of George Washington's farewell speech, to observe good faith and justice toward nations and cultivate peace and harmony with everybody.

But beyond these common ideals, our two countries are joined by the presence in this hospitable country of America of a large community of

Italian Americans who, through their work and human qualities, honored their land of origin and contributed to the increased prosperity and greatness of their new country.

The Bicentennial of the Declaration of Independence of the United States reminds us of the ideals of the Founding Fathers who are both yours and ours, founders of the United States and those of major instruments of an era of Western history which brought man and his freedom to the center of our civilization.

The American Revolution is an element of the continuity of Western history and also renews it. It allows the Western World to accept the challenges of science, technology, industry, and to carry out a social transformation which is of paramount importance within the framework of a humanistic society, inspired in the values rediscovered by the Renaissance men. This era of the Western World's history cannot be considered complete. Its motivations and hopes are still alive. The ideal thrust must renew itself through a constant critical search for the most adequate objectives in order to accept present and future challenges. To this purpose, we are stimulated by the commitment and the concerns of the new generation.

Mr. President, during the scheduled meetings we will deal with many issues, because the present circumstances present many problems and they require an effort of imagination and understanding. But the guarantee of their success is given by the spirit of openness and sincerity which always characterized the Italian-American relationships during the past 30 years.

Mr. President, on behalf of the President of the Italian Republic, of the Italian Government, and conveying the feelings of the Italian people, I bring you warm and friendly greetings which I extend to Mrs. Ford and to your entire family.

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Toasts of the President and Prime Minister

Giulio Andreotti of Italy. *December 6, 1976*

Thank you all very, very much Mr. Prime Minister, distinguished Italian guests, ladies and gentlemen:

President Leone was the first state visitor that I had the high honor and rare privilege to welcome as President of the United States. Tonight we are once again celebrating the official visit of a very distinguished Italian leader, our guest tonight, Prime Minister Andreotti. These two visits symbolize the very

close friendship of our two countries and the continuity of American support for a very trusted and valued ally.

Earlier this autumn we welcomed the visit of the Italian First Lady, Mrs. Vittoria Leone, who added her grace as well as her friendship to the already impressive Italian contribution to our Bicentennial. The performances of the La Scala Opera, the loan of the Venus de Medici to our National Gallery, Italian participation in the "Tall Ships" review and many other Bicentennial activities were symbols of what Americans have gained from our relationship. For this the American people are most appreciative and deeply in debt to the people of Italy and to your Government.

The gift that Mrs. Leone presented on behalf of the Italian people, a portrait of Thomas Jefferson, which hung for nearly 200 years in the Convent of Lodi, today hangs in the Oval Office in the White House complex. This is a treasured reminder of Italian-American friendship.

Mr. Prime Minister, for two centuries Italian culture has enriched the life of the United States with many, many unique contributions. Historians point out that Thomas Jefferson, in writing the Declaration of Independence, drew on the wisdom of his Italian friend, Filippo Mazzei, in the drafting of several very, now immortal phrases. As a matter of fact, our Capitol Building is enhanced by Italian art and Italian artisans. The very name America commemorates an Italian.

Along with Italy's cultural contributions came millions of American immigrants. America is very, very proud of its citizens of Italian origin. I happen to believe this is perhaps Italy's greatest contribution to America, and we are truly grateful for it.

We Americans have tried to reciprocate, Mr. Prime Minister, by showing the Italian people how much we value them as our friends. This was the spirit behind the Marshall plan, and it was demonstrated again last May when an earthquake struck in northern Italy, in Friuli. The response of the American people, our Congress, the executive branch, was immediate. Legislation was enacted in record time, and Senator Pastore was one of the initial authors of that legislation. That contribution has been helpful in the construction or reconstruction of schools and hospitals in that part of Italy. It has helped to rebuild the lives and the homes of those people who were unfortunately the victims of that earthquake.

Mr. Prime Minister, present conditions pose a very severe challenge to the industrial democracies of the West, many of which have suffered from recession, unemployment, inflation, and the abrupt and steep rise in energy costs.

As we noted this morning, Mr. Prime Minister, this is particularly a challenging time for Italy. But your government reacted vigorously and your government acted resolutely. I and, I believe, most Americans are tremendously impressed by your efforts and your successes. Under your continuing strong leadership I am confident that Italy can return to a balanced growth and economic vitality. This is important to Italy, but it is equally important to America—in part because of the vital interests we share as industrial democracies.

The American people have made clear their commitment to democracy and democratic methods. I am equally convinced that Italy will maintain its very strong commitment to the common goals that we share as partners in the North Atlantic Treaty Organization—a secure peace, democratic freedom, and economic well-being for all of our people.

Mr. Prime Minister, I know that you are an admirer of the great Roman statesman, Cicero—his words, and I quote, “When good men of like character are joined in friendship, there we find the noblest and the strongest union.” In the discussions that we had this morning following your coming to the White House, we had an opportunity to reinforce my conviction that his words aptly describe the relationship between our two people.

It is with pleasure and a great deal of confidence, Mr. Prime Minister, that I express the continued best wishes of the American people as well as the continued full support of the United States of America, our Government, for your Government and the policies that it is following.

Ladies and gentlemen, I ask you to join me in a toast to the Prime Minister of Italy, to the enduring friendship between our two countries, and to our mutual commitment to peace, freedom, and progress for all mankind.

NOTE: The President spoke at 8:20 p.m. in the State Dining Room at the White House.

The Prime Minister spoke in Italian. His remarks were translated as follows:

Mr. President, first of all, I am particularly grateful to you for having organized this gathering of so many prominent American personalities among whom I see so many connected with my country by origin and by spiritual affinity. It is a delightful crowning of the first part of my working visit to Washington. And this bears witness once more to the fact that the ties between our two countries are not represented only by political and economic interests and in general by collective interests, they are to be found in the ever more numerous individual and private contacts at all levels and in all sectors.

Your country offers us familiar images and echoes. We can see the classical aspects of pal-

ladian inspiration in your Nation's Capital. There is the presence of millions of individuals who are deeply loyal American citizens, still deeply attached to the land of their fathers. This presence makes our relationship very spontaneous and creative. It ranges from the contribution of untold thousands to the individual achievements in the field of politics, science, arts, information, show business, music, and cinema.

We Italians look with pride to this other Italy transplanted in the United States, and it is natural for us to think back to the hopes of our navigators, who came seeking a land of development and expansion for the overflowing energies of the Western World. It is particularly appropriate to recall during the celebration of the Bicentennial of your Declaration of Independence that the strongest tie between our two countries is represented by this very possibility, which was offered throughout the two centuries of your history, for the people com-

ing from Italy to participate on an equal footing in the construction of your great democracy.

One of the Americans of Italian extraction who has succeeded in obtaining a position of prominence in this country is John Volpe, Ambassador of the United States [to Italy], who is with us. In thanking him for the constant and passionate contribution he has given to the cause of friendship and solidarity between our two countries, I wish to pay a well-deserved tribute to the whole Italian-American community.

Italy is at present going through one of the most challenging periods of her recent history. The international economic crisis has hit our country at a time when it was attempting to correct some of the most serious imbalances, typical of an accelerated expansion, between the different social strata and the different regions in order to meet the expectations of a society which wants to be more just and better balanced. Obviously, the crisis has exacerbated those contradictions which the dynamics of development had hidden or at least attenuated, putting them now in sharper focus and making them, let's face it, more dramatic.

The Italian people as a whole have responded to these events with a deep sense of responsibility. The majority of the political parties, the trade unions and employer's organizations are aware of the seriousness of the situation, and they know that in order to surmount our difficulties, sacrifices are required of all of the Italians. This common will to overcome the crisis, this pervasive conviction that without a collective effort the country will not be able to get back on its feet, sustain the minority government which I lead and encourage it to move with determination in the complex political, economic, and social climate of the country.

If in these difficult hours we Italians succeed in stressing what binds us rather than what divides us, I am convinced that we will be able to recover and resume our economic and social progress.

Turning our attention to foreign policy, we become aware that there has been an increased acceptance of the major objectives which Italy pursues on the international scene. In our country there are no longer reservations about Italian participation in the European and Atlantic communities. The support which is now publicly expressed on the

guidelines of our foreign policy must therefore be viewed as an indication of the growing popular consensus on the national goals and interests.

Italy's foreign policy has not suffered from the adverse effects of economic crisis or of the political difficulties. It does show unwavering continuity and total adherence to its commitment. We are determined, Mr. President, to enforce our friendly relations with all peoples, to seek wider and far-reaching avenues of agreement with the developing countries, to contribute actively to détente with the East.

I wish to emphasize that all these goals stem from a steady political platform, namely our participation in the process of European integration and our membership in the Inter-Atlantic Alliance. These two goals are in no way contradictory, for the European identity is not defined in opposition to the United States, but rather as an additional factor to the solidarity which binds us.

Mr. President, the problems before the Italian Government today have a dimension that goes beyond the boundaries of our country and, therefore, cannot be solved purely on a national basis. We are convinced, however, that an adequate solution to these problems must be found first of all in the will and the ability for recovery that Italy has always shown throughout her history. We are deeply aware that it is first and foremost through our sacrifices that we will recover. What we ask of our friends is that they trust us as we trust them and that they believe in our commitment and in our determination.

Mr. President, allow me, please, to conclude on a personal note. This visit of mine takes place at a time when your administration, which has been marked by a strengthening of the cooperation among Western countries, is drawing to a close. Your tenure has confirmed the continuity of a strong and positive relationship based upon mutual friendship and trust between the United States and Italy. We Italians have consistently found in you, Mr. President, a sincere friend. We know that we can continue to rely on your friendship and understanding.

It is with this conviction that I raise my glass to make a toast to your personal happiness, to that of Mrs. Ford and of all of your family, to the prosperity of your great country, and to the profound friendship between the United States and Italy.

1025

Remarks of the President and Republican Leaders in a Question-and-Answer Session With Reporters.*December 9, 1976*

THE VICE President and Governor Connally and myself have agreed to come out here to indicate the context of the meeting. You had an opportunity to see and to question Governor Reagan. The four of us met because I felt that it would be highly desirable for the four of us to sit and try to see what could be done to make certain that we have a viable two-party system in this country. We think it's absolutely essential for the political health of the United States that there be competition in the political arena, and the best way to do it is through a strong Republican Party competing against the Democrats.

We really decided three things. Number one, that we would continue to meet, and we tentatively agreed to meet the first week in January. We agreed that there should be formed a coordinating committee-type of organization, similar to the one that was put together in 1965 following the 1964 election. We agreed that there were five or six potential Republican National Committee chairmen that were all experienced, that all had assets and opportunities; that we would not pick or choose as a group any one of the individuals. That was the responsibility of the National Republican Committee.

So, with those observations the Vice President, Governor Connally, and myself will be glad to respond to any questions.

REPORTER. Mr. President, is Governor Connally one of those five or six who you think is on the list to be national chairman?

THE PRESIDENT. I think the Governor ought to respond to that.

GOVERNOR CONNALLY. Well, I think I made it abundantly clear, as I tried to do the other day at the meeting of the Republican Governors, that I'm really not available. And I don't foresee any circumstances under which I would be.

Q. Governor, we got exactly the opposite impression from what you said the other day. We thought you were available.

GOVERNOR CONNALLY. Sarah [Sarah McClendon, McClendon News Service], I can't interpret for you. I tried to say that I have never been a candidate. As I recall what I said then, I said I've never been a candidate; I'm not now a candidate; I never will be a candidate. There would have to be two conditions precedent before I would even seriously think about it, and that would be that I would have to be publicly endorsed by the President, by the Vice President—by

Governor Rockefeller—and that I would be asked to take it on the basis of not taking it as a full-time job, which flies in the face of the rules that now exist. And I thought that in itself was a sufficient answer to indicate that I'd laid down two conditions, neither of which probably would be met. But I want to make it stronger today to be sure there is not any misunderstanding. And I do not foresee any circumstances under which I would be available.

Q. Mr. President, what did you think of Mrs. Smith's¹ description of Governor Reagan as being part of the far right?

THE PRESIDENT. It's my understanding that Governor Reagan answered that question, and I would let his words speak for themselves.

Q. Mr. President, could you tell us who the five or six qualified chairmen are that you all have agreed on, one, and, two, would you and the Vice President endorse Governor Connally for chairman as he has given that as a qualification?

THE PRESIDENT. First, let me say I would hesitate to list those individuals. The names have been bandied around, but I don't think we should say here today that this is the only particular group. There may be another candidate or two that might appear. And, therefore, if I mentioned five, it would be unfair to those that might emerge in the future.

Q. Mr. President, what role do you see for yourself in party affairs after January 20, with particular reference to the coordinating committee you speak of?

THE PRESIDENT. I certainly intend to be involved in Republican politics. I would hope to be a member of the coordinating committee. I think it worked in 1965 and 1966, and I'm confident that it can be a very effective organization in 1977 and 1978.

Q. Mr. President, do you see any problems of ideological differences afterwards in an attempt to get party unity?

THE PRESIDENT. One of the major purposes of this gathering was to achieve party unity, recognizing that in some areas each of us may have a difference from the other. But I think the Republican tent is big enough and broad enough to encompass the four individuals who met here this afternoon. And I was impressed with the degree of unity that was expressed by each of us to one another. We recognize those differences, but we have a common objective—a strong two-party system—and I think it will be healthy and beneficial to the country.

¹ Mary Louise Smith, Republican National Committee chairman.

Q. Mr. President, is it possible that perhaps what the Republican Party needs is a lot of new blood and fresh faces, none of which were in that room?

THE PRESIDENT. We are not kingmakers, Wally [Walter C. Rodgers, Associated Press Radio]. We are simply deeply concerned about a political system where you have competition. And we're not excluding anybody from the Republican ranks who are there now or anybody who wants to join the Republican Party. So, you have to start someplace. And this seemed like a very logical place for me to use whatever influence I have to get the ball rolling for what we have to do between now and 1978 and 1980.

Q. Could we go back to the second part of my question, Mr. President?

THE PRESIDENT. I thought you'd forgotten it. [*Laughter*]

Q. About whether you and the Vice President—

GOVERNOR CONNALLY. Let me inject here that I think it's not a germane question at this point, because I said earlier in the day, in Chicago, that I've made a stronger statement. It's not a Shermanese statement, but it nevertheless is a stronger statement that I see, I can see no circumstances under which I would be available.

Q. Mr. President, did you agree among yourselves that if the RNC selects one of these five or six individuals that you spoke of today, that that selection would have the unanimous support of all of you?

THE PRESIDENT. I think there was a consensus that the names we discussed would be acceptable. I also believe that we might have an individual preference, but none of those would be unacceptable.

Q. Mr. President, you mentioned that this group would meet again. Do the four of you see yourselves as a kind of a council of elders of the Republican Party?

THE PRESIDENT. I won't use those words, Phil [Philip H. Jones, CBS News], because we don't think of ourselves as elders. I think we have a lot of life left in our political bones, and we will be using a little influence from time to time. But it was a practical way to get leaders in the party together, and they represent, geographically and otherwise, the Republican Party. We will work with others, but we don't intend to be kingmakers, if that's what you mean by elders.

Q. Mr. President, what would you envision that the four of you would do at this next meeting, and where would that be? And do you have any idea what you would be talking about?

THE PRESIDENT. I think we will be talking about the prospective national chairman, because the Republican National Committee meets January 14 and

15. But we will also, perhaps, be finalizing some recommendations to the new national chairman as to the format or the organization of this committee that I mentioned earlier.

Q. Mr. President, would you want to be the chairman of this committee, the coordinating committee?

THE PRESIDENT. I wouldn't want to preempt any position at the present time. I want to be a participant.

Q. Mr. President, when you look at the November 2 results—

THE PRESIDENT. I've looked at them. [*Laughter*]

Q.—the greatest deficiency that your party showed was among black and minority voters. Now, did that come up today, and do any of the three gentlemen, including the Vice President, have any suggested remedies about how to bring black people into your party, where it seems you just got skunked on November 2?

THE PRESIDENT. We hope to broaden the base of the party, and there is every reason in the world why members of the black community in the United States ought to support the Republican Party, because we offer them jobs, whereas the opposition, in effect, offers them welfare. And I think that's an attractive appeal that the Republican Party would have to the black community, because they are interested in jobs rather than welfare. But this is a personal observation.

Q. Mr. Vice President, *Newsweek* magazine reported among other things that the President was not very fond of the President-elect. Are you? How do you feel about that?

THE VICE PRESIDENT. I love this country, and I will do anything I can to help the President-elect and the Vice President-elect to carry out their responsibilities.

Q. Mr. Vice President, do you share or do you have the hope of serving on this coordinating committee as President Ford does?

THE VICE PRESIDENT. Well, I served on the last one. And I'm interested in seeing the party have the broadest possible base, appeal for the broadest national support, and I think that committee needs to have that kind of representation. If I can add something, I'm delighted. If not, I'd just like to see the committee function effectively.

THE PRESIDENT. Let me answer the question. I think that it would be constructive to have all four of the group that met this afternoon on the committee. But they would not necessarily numerically dominate the group, because if you go back to the format of 1965, there were roughly, as I recall, 30 members.

So, I think the four of us could contribute to the work of the committee, but I don't think we should numerically be in the majority.

Q. Mr. President, why doesn't the Republican Party have a broader base than it does? The 18-percent figure must be terribly alarming to you.

THE PRESIDENT. Wally, I think you can turn it around. We got 48-plus percent of the vote, so we must have had some appeal beyond the 18 percent who were registered Republicans. We came awfully close. So we do have a relatively broad base, and we ought to make sure that that 48-plus percent will follow the Republican Party in the elections in 1978.

Q. How can you do that?

THE PRESIDENT. By the kind of a program and the kind of a campaign we ran in 1972.

Q. Mr. President, could you spell out in any detail at all what it is you envision this coordinating committee actually doing and how many members it might have?

THE PRESIDENT. I think it's premature to get into specifics there. If you use the format and the record of the coordinating committee in 1965, it covered issues, it covered programs. I think the best way for you to envision what might be a part of the contemplated one is to go back and read the history of the one in '65 and '66.

Q. Mr. President, will you run for office again?

THE PRESIDENT. Sarah, do you want me to? [*Laughter*]

NOTE: The President spoke at 5:25 p.m. to reporters assembled in the Briefing Room at the White House.

1026

Remarks at the Annual Congressional Christmas Ball.

December 9, 1976

BEFORE I say anything, I would very much like to have the Speaker, Senator Mansfield, and Senator Scott come up and join Betty and myself. We can wait just a minute. Sorry to interrupt the music and the good time. Speaker McCormack, come up here.

Now that we have all of the dignitaries here, let me say a word or two on behalf of Betty and myself. We are greatly honored to have the privilege of recognizing the Speaker, the majority leader in the United States Senate, Mike Mansfield, minority leader in the United States Senate, Hugh Scott, and as an added attraction, a former Speaker of the House of Representatives, our dear friend John McCormack.

I was looking over the record of service of the three people who are being

honored tonight, and I noticed that when I came to Congress on January 3, 1949, Congressman Carl Albert from Bug Tussle, Oklahoma, was a senior Member of the House. He had come 2 years before me. And then I noticed that Senator Mansfield, who was also a Member of the House at that time, was quite senior. He had come 4 years before I did. And then the record shows that Hugh Scott was very, very, very senior because he had come to the House of Representatives 6 years before I was honored to take the oath.

So, if you added up all of their seniority—Hugh Scott with 34 years, Mike Mansfield with 32, and Carl Albert with 30—the total is 96 years of seniority in the Congress of the United States. So, I think we have with us three of the most distinguished, most experienced, and most honorable and dedicated people that I have known in the House and/or the Senate during my time of service in the Federal Government.

But I think it's appropriate to recognize the wives of the people that we honor as Members of the Congress. I know that Mary Albert did a super job all the time that Carl has been in the House of Representatives. I know that Maureen Mansfield did the same for Mike when he was in the House as well as in the Senate, and Marian Scott did as well for Hugh as the others did for their husbands.

So, Betty and I are just pleased and honored to have the privilege of recognizing these three very distinguished statesmen for their long service and effective service as far as our Government is concerned. They are personal friends of both Betty and myself. They have done a superior job, whether I agreed with them or not, or whether they agreed with me or not.

I might add parenthetically, I have found that it's great to be a part of a government where all of the troops without hesitation or qualification, follow whatever the leaders tell them to do. [*Laughter*] I know that's true on the Democratic side, and I know it is true on the Republican side.

But regardless of the problems that come as a result of a lack of political and party uniformity, it's a great institution, the Congress. And Betty and I had the privilege of serving there for almost 26 years. It was, without a doubt, the most enjoyable time of our lifetime. We missed it. We miss it now.

And we wish you all, each and every one of you, a very, very Merry Christmas and the best wishes for a Happy New Year. We will be thinking of you, and we will be wishing you the very best.

And I think all of us can now join in giving the proper recognition to three very distinguished Members of the Congress of the United States—Carl Albert, Mike Mansfield, and Hugh Scott.

Let's enjoy ourselves. That is why you are here.

She [Betty Ford] wanted to make a speech, and I told her she couldn't.
[*Laughter*]

But let me have one of my special friends and one of the great, great people in the Congress, John McCormack, come up here. You don't have to make a speech, but some of you don't know him. Those who didn't serve with him don't know how tough he could be on Democrats and Republicans. Isn't that right, John?

SPEAKER McCORMACK. No, it's wrong. [*Laughter*]

THE PRESIDENT. We love you, John, and it's an honor for us to have you here.

SPEAKER McCORMACK. All I want to say is that it's only in America that this could happen. Thank you, Mr. President.

THE PRESIDENT. Thank you, John.

Let's have fun. Thank you all.

NOTE: The President spoke at 9:55 p.m. in the East Room at the White House.

1027

Statement on the Death of Peter Lisagor.

December 10, 1976

FOR MORE than three decades, Peter Lisagor covered the newsbeats of the world. His reporting spanned the globe from Vietnam to Suez and from the United Nations to the White House.

His coverage and commentary gained for him the admiration of his colleagues and the respect of those he wrote about. He was a journalist in every sense of the term, fair and thorough. But most of all, Peter will be remembered by his many friends as a gentleman of warmth and wit. I am proud to be counted among Peter's friends.

Betty and I extend our deepest sympathy to his family. He will be missed.

NOTE: Mr. Lisagor was the Washington bureau chief for the Chicago Daily News.

1028

Letter to the Archivist of the United States and the President of the University of Michigan Donating Presidential Materials. December 14, 1976

[Dated December 13, 1976. Released December 14, 1976]

Dear Dr. Rhoads and President Fleming:

This letter is addressed to you, Dr. Rhoads, as the Archivist of the United States (hereinafter referred to as the "Archivist") acting under authority of Chapter 21 of title 44, United States Code, and the authority delegated to you under such statute by and from the Administrator of General Services. This letter is addressed also to you, President Fleming, in your capacity as the duly authorized representative of the Regents of The University of Michigan, a constitutional corporation of the State of Michigan (hereinafter referred to as the "University").

The purposes of this letter are to offer for deposit the materials as described and provided in Annex A attached, to be kept in a Presidential archival depository, and to convey my rights, title and interest in such materials. This letter and accompanying Annexes A and B deal with materials that may have historical, educational or commemorative value because of my life and work:

- (i) as a candidate for election to, and as Member of, the Congress of the United States during the period 1948 to 1973,
- (ii) as Vice President of the United States in 1973 and 1974,
- (iii) as President of the United States from August 9, 1974, until the expiration of my term on January 20, 1977,
- (iv) as candidate for nomination and election to become President for a subsequent term, and
- (v) as participant in a variety of other public and political activities.

This offer of deposit is made to the Archivist for acceptance pursuant to the following pertinent provisions of Chapter 21 of title 44, United States Code:

"When the Administrator of General Services considers it to be in the public interest he may accept for deposit—

"(1) the papers and other historical materials of a President or former President of the United States, or other official or former official of the Government, and other papers relating to and contemporary with a President or former President of the United States, subject to restrictions agreeable to the Administrator as to their use; . . ." (44 U.S.C. § 2107)

Concurrently with acceptance of this offer of deposit, I convey to the United States of America all my rights, title and interest in the materials accepted for deposit, including my literary property rights in the unpublished portions of such materials, which deposit and conveyance are subject, however, to:

(i) the exclusions and reservations in Annex A and to the terms and restrictions that are stated in Annex B, and

(ii) the condition that in the event the United States does not abide by the aforesaid terms and restrictions, as determined by a court of competent jurisdiction, possession of the materials shall be transferred to, and all my rights, title and interest conveyed hereunder shall vest in, the University, subject to the same terms and restrictions.

This conveyance to the United States is made for acceptance pursuant to the following pertinent provisions of Chapter 21 of title 44, United States Code:

“ . . . The Administrator, in negotiating for the deposit of Presidential historical materials, shall take steps to secure to the Government, as far as possible, the right to have continuous and permanent possession of the materials. Papers, documents, or other historical materials accepted and deposited under section 2107 of this title and this section are subject to restrictions as to their availability and use stated in writing by the donors or depositors, including the restriction that they shall be kept in a Presidential archival depository. The restrictions shall be respected for the period stated, or until revoked or terminated by the donors or depositors or by persons legally qualified to act on their behalf. Subject to the restrictions, the Administrator may dispose by sale, exchange, or otherwise, of papers, documents, or other materials which the Archivist determines to have no permanent value or historical interest or to be surplus to the needs of a Presidential archival depository.”

“(d) When the Administrator considers it to be in the public interest, he may cooperate with and assist a university institution of higher learning, institute, foundation, or other organization or qualified individual to further or to conduct study or research in historical materials deposited in a Presidential archival depository.” (44 U.S.C. § 2108 (c) and (d) as amended by P.L. 94-575 on October 21, 1976).

Also, this conveyance is made on terms that will allow for additional cooperation with and reliance on the University or other appropriate organization by the Government as may be permitted by law.

This conveyance does not affect the rights or obligations that I may have as President or former President or as former Vice President, or that a President

in office may have, to assert and enforce any applicable privilege in respect of confidential Presidential or Vice Presidential portions of the material conveyed; or the rights I may have as a former member of Congress to assert and enforce any applicable privilege in respect of confidential Congressional portions of the materials conveyed.

Following are reasons for this offer of deposit and the conveyance and for the terms and restrictions to which they are subject:

(a) To enable the United States to maintain and operate an archival facility to be constructed by the University for all the described materials that are of a documentary nature, upon which students, historians and other scholars may draw in order accurately to recount and judge the political history of our times and my participation in the events of that history.

(b) To have such archival facility embrace the full scope of my materials relating to my entire political and public career in the three different Constitutional offices I have held.

(c) To permit the establishment and operation of such archival facility in Ann Arbor, Michigan, in connection with a long-established, diversified and distinguished institution of higher learning, where it will be readily available to a large resident faculty and student body and to visiting scholars and researchers from throughout this nation and from other countries, and where the usefulness of the materials deposited will be enhanced by the availability of many other scholarly resources within the University and by the general stimulation and support for scholarly research and educational activities which the University provides.

(d) To take advantage on a temporary basis of facilities on the campus of the University that will allow archival accession and other processing of the conveyed materials until completion of a new structure which the University is to provide as a permanent archival facility for these materials; and to build upon the extensive work of processing already done by the University at its own expense on virtually all of the documentary materials related to my elections and career as a Member of Congress.

(e) To enable the United States to maintain and operate a museum in Grand Rapids, Michigan, as another facility of my Presidential archival depository, in a building to be provided by an appropriate organization, for housing and exhibiting the many articles of commemorative and educational value among the conveyed materials, together with tangible gifts received by the United States during and because of my service as President, where they will be readily available for viewing by the people in the area of my home town whom I

represented in the Congress for 25 years and by interested visitors, researchers, educators and students from throughout the nation in the manner that similar materials of former Presidents Hoover, Roosevelt, Truman, Eisenhower, and Johnson have become available within their respective home areas for that purpose.

(f) To express my deep appreciation to the people of the State of Michigan and to the University for their many benefits to me and helpful influences upon my life, and to demonstrate my grateful cooperation with the University, the citizens of my former Congressional district, especially the members and supporters of the present Gerald R. Ford Commemorative Committee, and other interested persons in their plans to raise the funds necessary for the construction of the archival facility and the museum which, when in operation with the materials conveyed, will serve as national resources of historical, commemorative, and educational importance.

Materials similar in nature to those conveyed hereby and suitable to the uses and purposes for which this conveyance is made, including those related to my life and work as former President after January 20, 1977, may hereafter be added to those conveyed hereunder by me, or by any other person having title, right, or interest therein, by intentional delivery to the Archivist for that purpose or by an instrument of conveyance that makes reference to this letter. Such additional materials, if accepted by the Archivist shall be subject to the terms and restrictions of Annex B hereto except as otherwise specified by the donor at the time they are conveyed.

Upon acceptance of this letter, along with accompanying annexes, by your respective signatures on all three copies hereof (one of which copies is to be returned to me, and the others of which shall be kept by the two of you, respectively) the offer and acceptance for deposit and the conveyance evidenced by this letter and accompanying annexes shall be effective for all purposes, and the terms thereof shall not be altered or amended except by agreement in writing among the Archivist, the University and me or, after my death, by agreement among the Archivist, the University and my duly appointed and acting executor or executors. In no event, however, shall any amendments to this letter and accompanying annexes revert or restore to me or to my estate any rights of ownership in the conveyed materials.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable James B. Rhoads, Archivist of the United States, and Robben W. Fleming, president of the University of Michigan. The attached annexes follow:

ANNEX A

DESCRIPTION OF MATERIALS CONVEYED

I. *General description.* Subject to the provisions of paragraphs II and III below, all my documents,

papers, correspondence, notes, records, pamphlets, brochures, magazines, newspapers, clippings, books, pictures, prints, photographs, negatives, illustrations, maps, films, vocal or visual recordings, works of art, mementos, souvenirs and the like, including those already placed with the University, that relate to my candidacy for, and election or appointment to, the public offices and positions I have held or still hold, that relate to my life and work in such public offices and positions and to my other political and public activities, and that have been prepared, produced, obtained or received in connection with any of the foregoing.

II. *Excluded materials.* The following items are not included:

(1) Household furniture, furnishings, decorations, goods and equipment of mine used or intended to be used to furnish, decorate or equip any home or living quarters of mine or of my immediate family;

(2) My personal effects and equipment such as wearing apparel, jewelry, pipes and pipe accessories, and skiing, golf, and tennis equipment;

(3) Correspondence, notes, memoranda, or objects that came to me from my wife or any of my children, from my parents or from my brothers, their wives or their children;

(4) My personal and family records, correspondence, and other materials related to banking, savings, insurance, tax, employment, compensation, business, professional, income, investment, purchase, sales, payment, property, financial and legal matters; and materials concerning my opportunities and plans for the period after I have left office or related to my future service to my political party;

(5) Books and retained copies of periodicals in my personal residence library or collection;

(6) Documentary materials that I refrain from delivering to the Archivist which are merely duplicates or facsimiles of papers or records otherwise included in these conveyances and which I may need for ongoing reference purposes;

and, whether or not they fall in any of the above categories, all of the following are excluded from these conveyances:

(7) My busts of Abraham Lincoln and of Thomas Jefferson as Ambassador to France; framed plates showing Abraham Lincoln, eagles and eaglets; sculpture of an eagle alighting; "Constitution" frigate; mounted sailfish; and my golden plate award;

(8) My Weidenaar watercolor; my painting of the Friendship Fire Engine Company of Alexandria; and my set of seven wood paintings;

(9) Utilitarian objects consisting of my desk equipment; a metal cash box; barometers; clocks; and metal serving tray with the seal of Michigan;

(10) The items in my personal numismatic and philatelic collections, in my respective collections of

miniature elephant statuary, of space flight pictures, and of cartoons;

(11) My collections of photographs made or received over the years that are now in my albums, in my private files or mounted in frames for my use;

(12) Originals of special letters, notes and photographs of a personal nature, as I have compiled since 1950, in a series of albums separate from my regular or official files;

(13) Framed original copies of my documented oath as President and my documented oath as Vice President and of President Johnson's letter to me as member of the Warren Commission; and

(14) Selected gifts to me or my family, which are not among foreign or domestic gifts treated or required to be treated as belonging to the United States, and other articles of mine, which I omit from delivery to the Archivist.

III. *Exclusion and reservation of literary property rights.* All literary property rights in any works commercially published prior to this time that I have written or to which I have contributed, including, but not limited to, any statutory copyright or contractual rights therein, are excluded from this conveyance.

Also, I reserve for myself, my heirs, successors or assigns all my literary property rights in any other works I may hereafter write for publication or to which I may hereafter contribute for publication, based in whole or in part on the conveyed materials, including, but not limited to, any statutory copyright or contractual rights in such works and including the right to license any publisher of such works; and I further reserve the nonexclusive right to make any literary use of the conveyed materials.

ANNEX B

TERMS OF DEPOSIT AND CONVEYANCE

The following terms and restrictions apply to the deposit of materials and the conveyance of possessory and property rights therein that are evidenced by the accompanying letter from Gerald R. Ford to James B. Rhoads as the Archivist of the United States (hereinafter referred to as the "Archivist") and to Robben W. Fleming for the Regents of The University of Michigan (hereinafter referred to as the "University") and by Annex A to such letter; and this Annex B sets forth the uses and purposes for which the deposit and conveyance are made.

1. *Division of materials into collections for archival facility and for museum.* In order to provide for different uses and eventual separate placements of those materials having primary interest to historians and researchers and, secondly, of those materials that are of a more general interest, the materials conveyed shall be appropriately divided into an archival collection and a museum collection. Allocated to the

archival collection shall be all papers, records, photographs, illustrations, films, vocal or visual recordings and the like. Allocated to the museum collection shall be all other items and objects of an historical, artistic, educational or commemorative value. However, if the materials include more than one copy of a documentary or illustrative item, which would otherwise be allocable to the archival collection but which would also be of interest or value for the museum collection, one of the copies may be allocated to the museum collection. In addition, temporary reallocations may be made from one collection to the other as circumstances warrant from time to time.

2. *Separate placement of the two collections.* The archival collection is to be located at Ann Arbor, Michigan, in a Presidential archival facility on a campus of the University, space for which is to be provided there temporarily in an existing facility and as soon as practicable on a permanent basis in a suitable new building to be constructed and owned by the University and designated as the Gerald Ford Library. The museum collection is to be located as soon as practicable on a permanent basis within Grand Rapids, Michigan, or its environs after a suitable building for that purpose has been provided by an appropriate organization (such as the Gerald R. Ford Commemorative Committee or other local civic group, a municipality or State agency, the University or another institution of higher learning) which shall be designated as the Gerald Ford Museum. Until such time as the arrangements set forth above can be implemented, materials for either or both collections may be kept in whole or in part, under appropriate safeguards, at such other locations as the Archivist may from time to time determine, in concurrence with the University, including, if I so request, placement of specific portions of the collections at a designated office that is provided for my use by the United States Government. The use by the United States for the foregoing purposes of land, buildings or equipment owned by the University or other appropriate organization shall be on available terms that the Archivist considers proper; and the respective facilities to be used on a permanent basis for housing and preserving my collections shall together constitute the Presidential archival depository for the historical materials of my Presidency and of the other offices I have held.

3. *Integrity of the respective collections.* This conveyance has been made comprehensive to include and, except as provided in paragraphs 1 and 2, to keep together on a permanent basis all materials that relate in any way to each of the different offices I have held and each of my political and other public activities over the entire period since 1948. In the protection, care and administration of the materials, as and after they are accessioned, this integrity shall at all times be maintained; provided, however, that

no provision of this conveyance shall be construed to preclude:

(a) Additions to the collections of related materials from any source, on a temporary or permanent basis.

(b) Temporary loans to other institutions or exhibits of items or objects from the collections under appropriate safeguards and for purposes consistent with the historical, commemorative, and educational value of the collections and the public interest therein.

(c) Temporary loans to me or to any member of my immediate family of objects from the museum collection or of extra copies from the archival collection.

(d) Return to me or, as the case may be, to any other rightful owner of items received by the Archivist which were not by the terms of the applicable conveyance intended to be conveyed or which could not under valid existing and applicable law have been conveyed for the uses and purposes stated.

(e) Disposal in any manner of materials that do not appear to have sufficient administrative, legal, research or historical value to warrant their further preservation as part of the collections, provided the University shall have the right of first refusal to any of the archival materials the Archivist proposes for disposal.

4. *Administration of the collections and operation of the library and museum.* The respective collections and facilities in which they are located shall be administered and operated in a manner consistent with the terms of restrictions stated in this Annex and with the uses and purposes for which the deposit and conveyance have been made, including the following particular provisions:

(a) Each collection and permanent facility shall be under the direction and supervision of a qualified director, or a single such director may serve for both collections and permanent facilities. Such directors are hereinafter referred to respectively as the director of the library and the museum. Each director shall be appointed by the Archivist, and the appointment for the archival collection and facility shall be made only after prior consultation with the University and, insofar as the law permits, with its approval, so that, if at all possible, the director to be appointed may have or be given faculty status by the University. Each director shall be entitled to act for and in behalf of the Archivist to the extent of the authority delegated to him, subject to any restrictions or qualifications imposed by the Archivist.

(b) For the archival collection, the University shall appoint a council of not less than five members who shall initially hold office for such staggered terms as the University shall designate at the time of appointment and whose successors shall be appointed by the University for terms equal to the longest of the initial terms or equal to the unexpired portion of a

term for which a vacancy may have occurred. For so long as possible, members shall be appointed primarily from among persons who have been identified or associated with my public life. For the museum collection, whenever funds for a suitable building have been provided, the local civic group or other organization by which or under whose auspices the funds have been provided or raised (hereinafter referred to as the "sponsoring organization") shall appoint a similar council of not less than five members on the same basis and shall similarly appoint or make provisions for appointments of successor members. The council for the archival depository shall advise and make recommendations to the University, which shall seek and receive the same, for the benefit of the administration of the archival collection and facility; and the council for the museum collection shall advise and make recommendations to the sponsoring organization, which shall seek and receive the same, for the benefit of the administration of the museum collection and facility. The Archivist and each director shall seek and receive advice and recommendations from the University or the sponsoring organization on matters of general policy in the administration of the archival collection and facility and the museum collection and facility, respectively, on any arrangements made pursuant to subparagraph (c) below, and on significant questions of interpretation and application of the terms and restrictions of this conveyance.

(c) Notwithstanding any other provisions of this annex, to the extent provisions of Federal law may allow for administration and operation by the University or other appropriate organization of the collections and of the respective facilities in which they are located, under contract, subsidy or other arrangement with or from the Federal Government, then on terms the Archivist considers proper, the University or other appropriate organization may succeed to the authority and responsibility otherwise to be exercised by the Archivist.

5. Access to materials in the archival collection.

(a) *Processing of materials.* For purposes of this Annex B and related documents, the term "processed materials" refers to those materials belonging to a coherent segment that in its entirety has been physically readied for research use, has been described in the form of finding aids, and has been reviewed for the purpose of identifying materials subject to any of the restrictions specified in subparagraph (c) below. Materials shall be processed as soon as possible. Also, in order to comply in any particular instance with subparagraphs (d), (e) or (f), those particular materials to which access is required, if not already processed materials, shall be processed promptly to whatever minimum extent will serve that purpose only and will assure compliance with the other terms and restrictions of this Annex.

(b) *General standards for access to processed materials.* Paragraphs 1 through 6 of the "Standards for Access to Research Materials in Archival and Manuscript Repositories" adopted by the Society of American Archivists on December 29, 1973, (copy of which is attached) shall be applicable to all processed materials insofar as practicable, subject, however, to application of restrictions upon access, as contemplated by paragraph 7 of such standards, that are stated below.

(c) *Restricted materials.* Except for access by qualified persons employed and engaged in the performance of normal archival work on the materials and except as otherwise provided in subparagraphs (d), (e) and (f), no materials coming within any of the following categories shall be made available for inspection, reading, copying, or other use, whether or not processed:

(i) Material relating to my personal, family, and confidential business affairs or to those of other persons in their communications to me (although it is not my present intention to include material of this nature in the archival collection).

(ii) Material relating to investigations of individuals and organizations, to proposed appointments to office, or to personnel matters.

(iii) Material involving communications made in confidence to me or between my advisors for the purpose of assisting or advising me in my duties and responsibilities as a Member of Congress or as Vice President or President.

(iv) Material containing information or statements that might be used to harass or injure any living person or to interfere with a person's right of privacy or right of association.

(v) Material containing information or statements where disclosure is prohibited by statute.

(vi) Material containing statements or information, the divulgence of which might prejudice the conduct of foreign relations of the United States of America or which would adversely affect the security of the United States of America.

(vii) Materials that are security-classified pursuant to law or Executive Order.

Except as required by law or Executive Order, and subject to the other provisions hereof, material originally falling within any of the foregoing categories shall not continue to be restricted beyond January 20, 1990, unless and to the extent the director of the library determines otherwise, and then only for such additional period or periods for particular materials in any category as may be reasonable under the then existing circumstances. Except with regard to materials restricted under categories (v), (vi), or (vii), above, particular materials originally restricted may be sooner made available when in the judgment of the director of the library the reasons for having restricted such

materials no longer exist. Materials originally restricted under categories (v), (vi) or (vii) may be made available at any time only when in the judgment of an appropriate Federal official or committee the reasons for having restricted them no longer exist.

(d) *My access and that of former appointees or staff members.* I or any designated agent of mine, during my lifetime, shall have the full right of access to all materials, including restricted materials, for purposes of inspection, reading and copying. Also, the same right of access shall be afforded, with my written permission and on such terms as I may set (or in the event of my disability or after my death, by permission of the director on such terms as he may set) to any former Presidential appointee who served in my Administration or former member of my Congressional, Vice Presidential or Presidential staffs in respect of materials authored or prepared by such person or by any of his assistants and not otherwise available to such person. In addition, I or any member of my immediate family shall be entitled to receive temporary loans of existing duplicates in the collection of materials that are not restricted, upon consent of the director and on such terms and under such safeguards as he may determine.

(e) *Access for current official business of the White House Office of the President.* The director of the library shall make available for reading or copying otherwise restricted materials relating to my official duties as President, while I held office, upon written request in each instance from the Counsel to the President, with a copy to me or my designated agent, describing with specificity the materials required, stating that the information they contain is needed for current official business of the White House Office of the President, and is not otherwise available, and undertaking to protect the restrictions set forth herein and to deliver to the director all copies received or made of restricted materials.

Access for reading of any such materials or receiving or reading any copies thereof as provided under the terms of this subparagraph, shall be limited to the President himself, the Counsel to the President, and such other responsible and qualified staff member of the White House Office of the President as shall have been named and authorized in the written request to read the materials or to receive a copy thereof and who makes in writing the same undertaking that the Counsel to the President has made.

(f) *Access for compliance with subpoena or other lawful process.* Subject to any rights, defenses, or privileges which the Federal Government or any other organization or person may invoke, the materials, whether or not processed, shall be subject to subpoena or other lawful process. The director of the library shall develop procedures for providing notice to the Federal Government, to me, and, within practical limits, to any other organization or person

who may invoke such rights, defenses, or privileges in particular instances covered by this subparagraph.

(g) *Security-classified information.* All access to the materials is subject to the requirement that information which is security-classified or protected from divulgence pursuant to law or Executive Order shall be made available and shall be used only in accordance with procedures established by law or Executive Order governing the availability and use of such information.

6. *Access to materials in the museum collection.* Materials in the museum shall be temporarily or permanently displayed or exhibited for public viewing on a selective basis as the museum director may from time to time determine. I, or any member of my immediate family, shall have full right of access to any of the materials in the museum for the purpose of inspecting, photographing, or duplicating them.

Temporary loans to me or to any member of my family of specific materials may be requested, and they shall be granted upon consent of the director and on such terms and under such safeguards as he may determine.

Other uses of, and access by researchers, educators, and students to, museum materials shall be in accordance with such generally applicable rules or policies as the museum director shall from time to time promulgate.

7. *Availability and use of materials for remainder of my Presidential term.* Notwithstanding any other provisions hereof, such of the conveyed materials as are now available to me or staff members of the White House Office or Executive Office of the President within the White House and related facilities shall continue to be so available to me and to such staff members and their permittees for use in the conduct of Government business during the remainder of my Presidential term.

8. *Interim provisions.* Pending a further appointment, the director of both the library and museum and the depositories in which the conveyed materials are temporarily placed shall be the Archivist. He shall have the full authority granted the library and museum director or directors under the terms of this conveyance and the right or power to delegate all or any portion of such authority from time to time as he determines. Pending implementation of provisions herein for appointment of a library council or of a museum council, requirements hereunder for seeking and receiving advice and recommendations from the applicable council may be complied with by consulting with me or with any other person whom I shall have designated to serve for me in such consultative capacity.

December 13, 1976

To the Honorable Gerald R. Ford:

Pursuant to my authority under Chapter 21 of Title 44, United States Code, as delegated to me by

the Administrator of General Services, I accept on behalf of the United States of America the deposit of your papers and other historical materials and the conveyance of your rights, title, and interest therein as stated in your letter of December 13, 1976, to be administered in accordance with restrictions as to their use specified in your letter and its accompanying annexes; and I am prepared to maintain and operate the archives and museum in facilities that may later be offered to the United States subject to the consummation of all legal requirements of the above-cited statute.

JAMES B. RHOADS
Archivist of the United States

December 14, 1976

To the Honorable Gerald R. Ford:

On behalf of the Regents of The University of Michigan and subject to ratification by the Regents of The University of Michigan, I accept the executory interest and other benefits inuring to the University as stated in your letter of December 13, 1976, for the uses and purposes and subject to the terms and restrictions as stated, with the understanding that the University will use its best efforts to raise the necessary funds for, and to accomplish the design and construction of, the contemplated archival facility.

R. W. FLEMING

1029

Statement on Actions To Provide Emergency Livestock Feed Assistance in the Midwest. *December 15, 1976*

THIS PAST summer and fall several States—primarily in the Midwest—suffered a severe drought which caused major reductions in the amount of feed grains produced and available for livestock feeding. Because our livestock producers had been adversely affected, the Department of Agriculture took steps to provide drought-stricken farmers with oats from the Commodity Credit Corporation reserve stocks under its Emergency Livestock Feed Program. However, the stocks reserved by the Corporation for emergency livestock feed have now been exhausted, and no further orders for emergency livestock feed are being processed by the Department of Agriculture.

Because this situation poses an immediate and serious threat to a major segment of our national livestock industry, I have today directed the Secretary of Agriculture and the Administrator of the Federal Disaster Assistance Administration (FDAA) to cooperate in providing emergency livestock feed assistance payments to protect our threatened livestock. This assistance program will be administered by USDA and funded by FDAA. This action, which I am taking today pursuant to my authority under the PL 93-288 grant assistance program, will assist livestock producers to make emergency purchases of feed grains and hay. Initially, this assistance will be provided to producers in South Dakota, Minnesota, and Wisconsin, whose Governors have already requested the assistance, but it is expected that additional States where I have declared emergencies during 1976 due to the drought may become eligible for assistance. As a result of today's action, I am confident that our threatened livestock will be protected until next summer, when new grain crops become available.

1030

Remarks at the Lighting of the National Community Christmas Tree. December 16, 1976

Thank you very, very much. Thank you, Mr. Dixon, Mr. Ambassador, Secretary Kleppe, Mayor Washington, Director Everhardt, distinguished guests, ladies and gentlemen:

As our Bicentennial Year comes to a close, it is especially appropriate to gather once more around the traditional symbol of family ties and friendly reunions, our Nation's Christmas tree. In doing so, we combine our year-long celebration of historical events with a personal rededication to timeless values.

The message of Christmas has not changed over the course of 20 centuries. Peace on Earth, good will towards men—that message is as inspiring today as it was when it was first proclaimed to the shepherds near Bethlehem. It was first proclaimed, as we all know, then.

In 1976 America has been blessed with peace and a significant restoration of domestic harmony. But true peace is more than an absence of battle. It is also the absence of prejudice and the triumph of understanding. Brotherhood among all peoples must be the solid cornerstone of lasting peace. It has been a sustaining force for our Nation, and it remains a guiding light for our future.

The celebration of the birth of Jesus is observed on every continent. The customs and traditions are not always the same, but feelings that are generated between friends and family members are equally strong and equally warm.

In a few moments I will turn the switch that lights up our national Christmas tree. As beautiful as that tree is, it will be only a symbol if its light is not matched by the glow of love in our hearts. It is my personal prayer on this Christmas of 1976 that the tree which I light tonight is only the beginning, that each of you will also light a flame of love—love that is reflected in the eyes of all our brothers and sisters across the Nation and around the world.

Now, Betty joins me in wishing you all a very, very Merry Christmas and a Happy New Year. Thank you, and God bless you.

NOTE: The President spoke at 5:35 p.m. at the 23d annual Pageant of Peace ceremonies on the Ellipse near the White House. His remarks were broadcast live on radio and television.

In his opening remarks, the President referred to John W. Dixon, president, Pageant of Peace, Inc.,

Ambassador Guillermo Sevilla-Sacasa of Nicaragua, dean of the Washington diplomatic corps, and Gary Everhardt, Director of the National Park Service.

As printed above, this item follows the text of the White House press release.

1031

Statement on Decision by the Organization of Petroleum Exporting Countries To Increase Oil Prices.*December 17, 1976*

WE DEEPLY regret OPEC's decision to raise, once again, the price of oil. We very much appreciate the efforts of those OPEC members, particularly Saudi Arabia and the United Arab Emirates, whose sense of international responsibility and concern for the adverse impact of an oil price increase on the world economy led them to advocate restraint and to refuse to go along with the increase proposed by the others. Unfortunately, however, the majority of OPEC members, citing artificial economic justifications and ignoring the destructive consequences of their actions, chose to take a course which can only be termed irresponsible.

The United States has joined with many other nations in an international effort to improve the quality and degree of global cooperation. The prosperous world which we and other nations seek, in the interest of developed and developing nations alike, depends on a sense of shared responsibility. This requires that nations avoid actions which harm one another. It requires that every country understand that, in an interdependent world, shortsighted actions, however seemingly attractive in the near term, can have long-term consequences detrimental to its prosperity and to that of all other countries. It requires a common commitment to the well-being of all peoples and special sensitivity to the plight of the world's poorest societies. The decision of the OPEC majority clearly does not meet such standards of international responsibility.

For our part, this latest price increase can only serve as a sharp reminder for all Americans of the need to take urgent action to strengthen our conservation efforts and develop new sources of energy in order to reduce our dependence. And it must serve as a reminder to all oil-consuming nations of the need to work closely together to reduce our reliance on imported oil and our vulnerability to arbitrary OPEC decisions.

1032

**Remarks in Ann Arbor at a Luncheon With the
University of Michigan Regents. December 19, 1976**

Thank you very much, Bob.

The opportunity to come to Ann Arbor on this occasion reminds me of another ceremony with many similarities. When you are invited as the husband of the wife who is to christen a ship, where all of the function is in the hands of the wife who is about to break the bottle of champagne before the launching, the husband is totally useless, and he is just there. That is about it. [*Laughter*]

Well, I am delighted to be here, obviously, to see Betty get this degree. It is a great honor for her and richly deserved. But it is also a great honor to me and to the rest of the family that Betty is being so recognized.

It is like coming back home, for me, to Ann Arbor. I don't think I spent any more enjoyable 4 years in my life than I did here on this campus.

I look over here and see Bob Briggs.¹ I learned something about budgeting from you, Bob. We tried to use those good practices in the Federal Government—not with all success, I might add.

But it is delightful to be here, and I thank you for honoring Betty, and we are deeply grateful as a family.

Thank you very much.

NOTE: The President spoke at 12:03 p.m. in the Vandenberg Room at the Michigan League Building on the University of Michigan campus. He was introduced by Robben W. Fleming, president of the university.

Later in the day, Mrs. Ford was presented with an honorary doctor of laws degree from the university.

As printed above, this item follows the text of the White House press release.

1033

**Remarks Upon Arrival at Vail, Colorado.
December 19, 1976**

Thank you very, very much, John.

Betty, Mike, Jack, Steve, Susan, and our daughter-in-law, Gayle, and myself, of course, are just delighted to be here in Vail. There isn't a place that we would rather come at Christmas time than Vail, Colorado, and we have been here, as I best recollect, nine Christmases in a row. And I and all the family look forward to spending many, many more Christmases in this wonderful location.

¹ University of Michigan regent 1964–68 and vice president 1944–51.

About a week ago, there were some inquiries made about how snow was in Vail. One of my staff said to me, "Mr. President, why don't we change our plans and go somewhere else where you can play some golf?" I said we were coming to Vail, and between the Indians and myself, we knew very well there would be some snow very shortly.

But let me just thank all of the people who live in Vail, all that come here to seek employment, all who come to ski. We are deeply indebted to all of you for your many courtesies, your hospitality, your friendship. And I hope and trust that we will see you on the slopes, having dinner, walking the streets, just enjoying ourselves in this wonderful atmosphere with so many nice people.

Thank you. Merry, Merry Christmas.

NOTE: The President spoke at 4:50 p.m. at the Town Square. In his remarks, he referred to Mayor John Dobson of Vail.

1034

Statement Announcing Federal Recognition of "Expo '81" as a World's Fair. December 20, 1976

IT GIVES me great pleasure to announce that I have today granted Federal recognition to Expo '81, a world's fair to be held in San Bernardino County, California. Accordingly, I have directed the Secretary of State to notify the Bureau of International Expositions, which decided at its November 17 meeting in Paris that Expo '81 would be formally registered once it received Federal recognition.

Pursuant to Public Law 91-269, the Department of Commerce has evaluated the plans for the exposition, and I have received Secretary [Elliot L.] Richardson's report recommending that Federal recognition to Expo '81 be granted. This report recognizes that other tasks remain to be accomplished—for example, environmental factors will be further considered upon receipt of public comments on the draft environmental impact statement now being circulated, and additional financial arrangements must still be made, including the planned authorization of a \$35 million bond issue by the State of California. I am satisfied, however, that the preparations made and the commitments obtained to date fully justify my decision to grant Federal recognition.

Those who were fortunate enough to visit other recent world's fairs—in Spokane, in San Antonio, in Seattle, or in Montreal know the great economic, social, and cultural benefits which such an undertaking brings to a region as

well as to the Nation. The staging of an exposition requires substantial construction activity and produces a wide variety of other employment opportunities. Expo '81 will attract tourists from across the Nation and around the world who will also visit many of the other attractions throughout that beautiful part of the country. This "world's fair," which will be held on the site of the Ontario Motor Speedway on the outskirts of Los Angeles, will celebrate the 200th anniversary of the founding of the city of Los Angeles.

With the support of the American people and the residents of southern California, Expo '81 will be a great success and a cornerstone marking the beginning of America's third century. I look forward to having the opportunity to visit Expo '81.

1035

Statement on the Death of Mayor Richard J. Daley of Chicago. *December 20, 1976*

BETTY and I would like to express our sorrow over the unexpected death of Richard J. Daley, mayor of the city of Chicago. Mayor Daley has been a dominant force in American politics for many years. His career of public service at the State and city level and his participation in national legislation and policies reflect his strong belief in and dedication to the vitality of the American cities.

Though controversial at times, he has been a towering figure in the American scene and will be long remembered by the people of Chicago, of Illinois, and of the Nation.

NOTE: Mr. Daley was mayor of Chicago from 1955 until his death.

Vice President Nelson A. Rockefeller served as

Personal Representative of the President at funeral services in Chicago on December 22, 1976.

The statement was released at Vail, Colo.

1036

Statement on the Oil Spill Off the Coast of Massachusetts. *December 22, 1976*

I AM deeply concerned by the serious threats to New England's shoreline, wildlife, marine resources, and fishing industry, posed by the oil spill off the coast of southeastern Massachusetts.

I have directed Federal agencies to do all that is possible to contain the slick,

to limit environmental damage, and to provide appropriate assistance under the law to any affected communities and businesses.

The Coast Guard continues to take all possible measures to ensure minimal economic and ecological damage. Representatives of the Economic Development Administration, the Environmental Protection Agency, the Federal Disaster Assistance Administration, and the National Oceanic and Atmospheric Administration are on the scene and are monitoring the situation closely. They are prepared, at my direction, to respond as promptly as possible and to exercise every appropriate authority at their disposal to assist in dealing with this unfortunate accident.

NOTE: On Wednesday, December 15, a Liberian-registered oil tanker, the *Argo Merchant*, ran aground on the Nantucket shoals, 27 miles southeast of the island. On the morning of December 21, the vessel

broke in half, and on the following day the bow of the vessel also split, spilling the remainder of the oil into the Atlantic Ocean.

The statement was released at Vail, Colo.

1037

Statement on Establishment of the International Fund for Agricultural Development. *December 22, 1976*

I HAVE instructed Daniel Parker, Administrator of the Agency for International Development, to sign, on behalf of the United States, the Articles of Agreement establishing the International Fund for Agricultural Development. The Fund—which has received pledges amounting to \$1 billion—will provide financial assistance to enable poor countries to increase their own food output. The U.S. contribution will be \$200 million.

The Fund is the product of a cooperative effort between the industrialized and oil-exporting countries to meet the needs of the world's poor nations, which thus exemplifies the progress which can be achieved by constructive international cooperation. The Fund also received considerable impetus from the Conference on International Economic Cooperation, which has been meeting in Paris. The United States remains thoroughly committed to cooperation among developed and developing nations, oil importers and oil exporters, to meet the problems of economic development and to build a prosperous world economy from which all nations will benefit.

The United States was one of the earliest supporters of the International Fund for Agricultural Development. In his speech to the Seventh Special Session of the UN General Assembly in September 1975, Secretary of State Kissinger announced my intention to seek a contribution to the Fund.

Throughout the planning for the Fund and negotiations with other nations, there has been close cooperation between the executive branch and the Congress. This has enabled the United States to maintain its leadership role and to make a substantial contribution to helping the developing countries better meet their own food needs.

This is an important step toward the healthier and more prosperous world which all nations seek.

NOTE: The statement was released at Vail, Colo.

1038

Statement on the Death of Senator Philip A. Hart of Michigan. *December 26, 1976*

I LEARNED with deep regret this afternoon of the passing of Senator Phil Hart. Senator Hart served the people of Michigan and the Nation with great distinction. He will be missed.

Mrs. Ford and I extend our deepest sympathy to Mrs. Hart and to their children.

NOTE: Senator Hart was a Member of Congress from 1958 until his death. The statement was released at Vail, Colo.

1039

Exchange With Reporters in Vail, Colorado. *December 29, 1976*

GOOD MORNING, everybody.

REPORTER. Good morning, Mr. President.

THE PRESIDENT. I thought you might be tired of me, so I brought Susan [Susan Chafee, former U.S. Olympic skier] along.

Q. Mr. President, can we ask you a couple of questions?

THE PRESIDENT. Sure.

Q. Can you give us any indication of what kind of time frame you are operating on on this amnesty question? ¹

¹ On Sunday, December 26, the President telephoned Jane Hart, Senator Philip A. Hart's widow, to express his condolences on her husband's death. At this time, Mrs. Hart asked the President to reconsider the possibility of amnesty for Vietnam draft evaders and deserters.

THE PRESIDENT. As prompt as possible.

Q. Would you think within the next week or so?

THE PRESIDENT. I think that is a fair time span.

Q. Can you give us any feeling for your inclination at this point? We know that you have opposed this in the past. You said that you were going to look into it. Are you leaning one way or the other at this point?

THE PRESIDENT. We are having a fair analysis made of the success of the program that I instituted in 1974,² which showed about 21,000 out of 105,000, or thereabouts, took advantage of the program. It was a good program. I regret that many, many more didn't participate. But we have to take an overall look at the impact on military morale, public reaction, equity as far as those who participated and went through their process of earning their way to clear their records, and then see how it equates vis-a-vis the blanket order. I can't give you any particulars as to what the decision will be at the present.

Q. Mr. President, I would like to get on to something else. I wonder if you have decided whether to give your former colleagues in Congress a pay raise?

THE PRESIDENT. Well, we are looking at that and studying very carefully the figures.

Q. Are you going to have a recommendation before you go out of office?

THE PRESIDENT. I will have to make a recommendation before I leave office or else leave it up to Mr. Carter.

Q. Do you plan to leave it up to Mr. Carter?

THE PRESIDENT. We haven't made a decision yet.

Q. Mr. President, would you have initiated the amnesty study but for your conversation with Mrs. Hart?

THE PRESIDENT. I don't believe I would have. She made the specific request. She is the widow of a dear friend of mine, and at her request I thought that it would be appropriate to do so.

Q. Mr. President, one other thing: We know that you are considering lifting Federal controls on gasoline prices. Some of your aides have said that if you were going to make a decision, you would probably have to make it by the 4th of January in order to allow Congress the 15-day period to approve or reject it. Have you given any thought to that yet?

THE PRESIDENT. We have given it a lot of thought. We will make a recommendation. We haven't decided on the details yet, but there will be a proposal to Congress, because I made a commitment at the time I signed the energy act in December of 1975 that we would eliminate controls as rapidly as possible,

² See 1974 volume, Item 77 and 78.

and we have. Distillates, methyl distillates, and the other classes will be included. We haven't finalized the details yet.

Q. So then when we say that you will make the proposal, you will make the proposal for distillates. Is that right?

THE PRESIDENT. Highly likely.

Q. Sir, have you finished work on your State of the Union yet?

THE PRESIDENT. That will be finished the night before we give it, and maybe the day we give it.

Q. Ms. Chafee, what kind of a skier is the President?

MS. CHAFEE. He is a gutsy skier. I skied with him last year. I think he is a good skier.

REPORTER. Have a good morning.

THE PRESIDENT. Thank you, same to you.

NOTE: The exchange began at 11:30 a.m. at Chairlift 6.

As printed above, this item follows the text of the White House press release.

1040

Exchange With Reporters in Vail, Colorado.

December 31, 1976

REPORTER. Mr. President, do you have any New Year's wishes?

THE PRESIDENT. Well, I certainly want all Americans and all people throughout the world to have a happy, healthy, and prosperous New Year, and I believe the opportunities are there that they will. And if we all pray and work, I think we can have that health and happiness and prosperity.

Q. Mr. President, did you make any personal resolutions for the New Year?

THE PRESIDENT. Yes, but I don't reveal them. Well, I think I have said what I really hope, that not only the people here in the United States but people throughout the world will have a wonderful New Year, and I think they will.

Q. Do you think the snow is an omen for a good New Year?

THE PRESIDENT. Well, every time I ski with Russ Ward¹ we get good snow.

Q. Thank you, Mr. President.

THE PRESIDENT. Good. It's nice to see you all.

NOTE: The exchange began at 11 a.m. at Chairlift 6.

¹ NBC News reporter.

1041

Statement on Proposed Statehood for Puerto Rico.**December 31, 1976**

IN OCTOBER 1975 the *Ad Hoc* Advisory Group on Puerto Rico, appointed jointly by the President of the United States and the Governor of the Commonwealth of Puerto Rico, recommended a new Compact of Permanent Union between Puerto Rico and the United States, to provide maximum self-government and self-determination for Puerto Rico.

The proposed Compact would institute fundamental and far-reaching changes in the relationship between Puerto Rico and the United States, and its provisions would affect a wide array of Federal programs and interests.

Members of my Cabinet have thoroughly analyzed the proposed Compact and made recommendations to me. After studying their comments and recommendations and giving deep thought to this important proposal, I have concluded that the proposed Compact, significant and important though it is, does not advance as rapidly as it might freedom and opportunity for the American citizens of Puerto Rico.

I believe that the appropriate status for Puerto Rico is statehood. I propose, therefore, that the people of Puerto Rico and the Congress of the United States begin now to take those steps which will result in statehood for Puerto Rico. I will recommend to the 95th Congress the enactment of legislation providing for the admission of Puerto Rico as a State of the Union.

The common bonds of friendship, tradition, dignity, and individual freedom have joined the people of the United States and the people of Puerto Rico. It is now time to make these bonds permanent through statehood in accordance with the concept of mutual acceptance which has historically governed the relationship between Puerto Rico and the United States.

NOTE: The statement was released at Vail, Colo.

1042

**Exchange With Reporters in Vail, Colorado, on
Proposed Statehood for Puerto Rico. December 31, 1976**

REPORTER. I just missed the announcement this morning about your proposal that statehood come for Puerto Rico. Why did you—why are you going to make that recommendation?

THE PRESIDENT. For a good many years I visited Puerto Rico off and on. I have long felt that they had made tremendous progress, very significant economic and social and political progress. It seemed to me that the people of Puerto Rico had spoken, in the last election, for the candidate for Governor and the candidate for the House of Representatives. Both prevailed, and they both were sympathetic, which would be a good reflection of the attitude of the Puerto Rican people. So, it seemed to me that we ought to take an initiative here in Washington to indicate our full support for statehood for Puerto Rico.

Q. Why did you decide not to wait until President-elect Carter had taken office and let him do it?

THE PRESIDENT. Because I'm President until January 20.

Q. Sir, did you consult with Governor Romero Barcelo before announcing this?

THE PRESIDENT. I did not, personally. But I have, on a number of occasions, talked to former Governor Luis Ferre, and I have, on a number of occasions while in Puerto Rico, discussed the overall problems with the former mayor of San Juan, who is now the new Governor, who is being sworn in. And it seemed to me that it was a very apropos time. So, no one could accuse me of any political—not ambitions, but political motives. I certainly hope it will be well received here and well received by the American people.

Thank you all very much.

Q. What do you think about congressional approval of the proposal?

THE PRESIDENT. We'll have to wait and see.

Q. Do you think the Puerto Ricans would approve?

THE PRESIDENT. Well, I think there is a pretty good indication that they are sympathetic.

NOTE: The exchange began at 2 p.m. at Chairlift 6. the White House press release.

As printed above, this item follows the text of

1043

Statement Announcing Extension and Name Change of the Inflation Impact Statement Program. *December 31, 1976*

I AM announcing today that I am extending Executive Order 11821, which requires Inflation Impact Statements for all major proposals for legislation, regulations, and rules emanating from the executive branch of the Government.

When I addressed the Congress on October 8, 1974, I pointed out that the

Federal Government imposes many hidden and inflationary costs on our economy. I announced then that I would take steps to assure that the effect on the economy of major executive branch proposals would be carefully weighed. Accordingly, on November 27, 1974, I signed Executive Order 11821 which formally initiated the Inflation Impact Statement (IIS) program. Its objective is to improve decisionmaking by requiring agencies to consider the economic impact of their regulatory and legislative proposals. The Director of the Office of Management and Budget was given oversight responsibility for the IIS program. He delegated monitoring responsibility for proposed rules and regulations to the Council on Wage and Price Stability, while retaining the legislative review responsibilities.

Since the IIS requirements constitute a rather novel mechanism, an expiration date of December 31, 1976, was specified in the original Executive Order 11821. This served to emphasize the importance of carefully monitoring the program's impact during the initial period. Based on my review of a just-completed, thorough evaluation of our initial 2-year experience with the IIS program, I have concluded that it has improved decisionmaking by facilitating more thorough and rational review of proposals whose impact on the economy is substantial. Accordingly, I am extending the Executive order establishing this program. As noted in the new Executive order [11949], I also am changing the name of the program from Inflation Impact Statement to Economic Impact Statement to better reflect the nature of the required analysis. I am asking the Director of OMB to consider making certain other administrative improvements suggested in the evaluation report as well.

Actions taken to secure one desired result often have many side effects which are overlooked initially. Regulations and legislation frequently can be designed to produce their intended effects in several different ways. Economic analysis, objectively applied, can help decisionmakers and the public see more clearly a proposal's benefits and costs. I believe that the IIS program is a useful approach to encouraging more rationality in the Federal Government's decision-making.

NOTE: The statement was released at Vail, Colo.

1044

Message to the Congress Outlining 1977 Tax Reduction Proposals. January 4, 1977*To the Congress of the United States:*

In October 1975, I presented to the Congress a program of tax cuts and spending restraints that would have reduced the burden of government for all taxpayers. It would have given the American people more freedom to spend their incomes as they choose rather than as Washington chooses for them. However, Congress decided otherwise—to increase spending far more than I wanted and to cut taxes far less than I wanted.

My forthcoming 1978 Budget will provide a detailed blueprint for Federal spending. Today, as I promised, I am outlining my proposals for personal and business tax reductions in 1977. First, I again urge a permanent increase in the personal exemption from \$750 to \$1,000 to replace the system of temporary tax credits that have so greatly complicated the individual income tax return. I am also recommending an increase in the low income allowance and a series of permanent tax rate reductions. In total, my proposals provide income tax relief for individuals of approximately \$10 billion in 1977. The tax reductions of 1975 and 1976 focused tax relief on the lower income taxpayer. However, it is high time to focus substantial tax relief on middle income taxpayers. The tax relief I seek will cut the 1977 income taxes of a typical family with four with an income of \$15,000 by \$227.

In the long run, inflation and real economic growth constantly push taxpayers into higher and higher tax brackets if tax law remains unchanged. Some believe that these additional tax receipts should be spent on new Federal programs. I do not. Instead, I believe that the Congress should periodically counteract the growing burden imposed by the tax system by providing offsetting tax cuts while continuing to restrain the rate of growth of Federal spending.

The creation of good permanent jobs for our expanding labor force requires a higher level of private investment. I am, therefore, recommending again a permanent reduction in the corporate income tax from 48 to 46 percent. This would reduce business tax liabilities by \$2.5 billion in 1977.

I also urge making permanent the 10 percent investment tax credit and the surtax exemption provisions of the Tax Reform Act of 1976. In the longer run we must eliminate the double taxation of dividend payments. I am, therefore,

renewing my proposal to integrate corporate and personal income taxes gradually over a period of years beginning in 1978. All of these changes in the tax laws will increase the funds available, directly and indirectly, for new and better plants, machinery, stores and equipment.

I am again recommending accelerated depreciation for new plants and equipment installed in rural and urban labor market areas where unemployment is 7 percent or higher. I am firmly convinced that this is a far better way to help create jobs in those areas that have lagged behind in the economic recovery than adding layer upon layer of new hastily conceived spending programs.

A year ago, in my 1977 Budget, I noted that the old age, survivors and disability trust funds would be depleted in the early 1980's unless some action was taken. Therefore, much as I didn't like doing it, I felt compelled to recommend payroll tax rate increases beginning January 1, 1977. The employee share of this increase would have amounted to less than one dollar per week for taxpayers at the top end of the pay scale and a few cents per week for those at the bottom. Congress failed to act on this proposal. Partly because of the delay, a higher tax increase is now necessary if the social security system is to remain intact. Because current law already prescribes a four-tenths of one percent increase in the tax rate in 1978, I do not believe that a very large additional increase is appropriate in that year. I am therefore proposing an additional two-tenths of one percent rate increase in 1978 supplemented by a six-tenths of one percent rate increase in 1979 and a three-tenths of one percent rate increase in 1980. These increases will restore the fiscal integrity of the Social Security Trust Funds in the short run and, together with my proposals for correcting the inflation adjustment for future benefits for currently employed workers, will greatly reduce the long-run deficit faced by the social security system.

I have in the past urged several other changes in our tax laws which are both necessary and desirable. These will be proposed again in my budget, but need not be discussed in detail at this time. These include a tax credit for home insulation, exempting charitable contributions from the burden of the minimum tax, increasing the railroad retirement tax in a manner consistent with the recommended Social Security tax increases, and providing State and local governments with an option to issue taxable bonds subsidized in part by the Federal government.

I am also recommending repeal of the earned income credit and the provision for funding Employee Stock Ownership Plans through additional investment tax credits. The earned income credit is not integrated with the rest of our

welfare system and makes future reform of that system even more difficult. The Employee Stock Ownership Plan provides a very large taxpayer subsidy to employers who wish to purchase stock in their firm for their employees. I do not believe that this is an equitable approach to the encouragement of stock ownership.

I urge that the Congress take prompt action on all of the above tax proposals.

GERALD R. FORD

The White House,
January 4, 1977.

1045

Special Message to the Congress on Energy.
January 7, 1977

To the Congress of the United States:

Three years have now passed since the Arab oil embargo demonstrated that the Nation had become overly dependent on other countries for our energy supplies. We have made progress in dealing with our energy problems but much more must be done if we are to achieve our objective of assuring an adequate and secure supply of energy at reasonable prices.

Action by the Congress is vitally important in the coming year on a number of matters affecting energy supply and demand. The outcome of that action will affect the Nation's security, economic strength and role in world affairs. Decisions made during this critical period will affect the health, welfare, quality of life and freedom of choice of our people for years to come.

A new Congress and change in Administration provide an appropriate occasion to review our energy situation, to summarize and share the knowledge that has been gained from analysis and debate over the past two years, and to outline the remaining need for action.

I am pleased that we have made a good start towards a comprehensive national energy policy; that we have taken major steps forward on programs to conserve energy, increase domestic energy production, develop strategic petroleum reserves, and develop new technology; and that our imports are less today than they would have been had we not begun taking the steps I outlined in my State of the Union address two years ago.

But our imports are higher today than they were three years ago, and we

have not yet as a Nation faced up to many of the hard decisions and choices that are necessary before we can achieve our energy objectives.

The lack of better progress is regrettable but I believe the reasons for it are quite clear:

—First, the real nature of the Nation's energy problem and the implications of leaving it unresolved are not fully understood or appreciated by many people.

—Second, many of those who recognize the problem and the implications of not solving it have looked for easy solutions. This has led often to proposals which:

- promise far more than can be delivered; or
- expand significantly the role of the Federal Government.

We are now beginning to recognize more clearly the dangers of a greatly expanded Federal role in energy. We also now realize that other "easy" answers are turning out to be impractical, ineffective, or oversold.

FUNDAMENTAL ISSUES AND CHOICES

The decisions which must be made are difficult and the implications of the choices are far reaching. Thus, the Congress and the public should have the best possible understanding of the fundamental issues and choices that are involved in my proposals and in the proposals that will be forthcoming from the new Administration and Congress. There are five matters that deserve special attention:

- The high cost to the Nation of delay in solving our energy problem.
- The illusions and false hopes that are involved in some of the "easy" answers that have been proposed.
- The dangers of expanding the Federal role in energy.
- The need to recognize the interdependence of the U.S. and other consumer nations in energy matters.
- The necessity of facing up to the hard choices that must be made in order to achieve a balance among our Nation's security, energy, economic, consumer price, and environmental objectives.

HIGH COST OF DELAY IN SOLVING OUR ENERGY PROBLEM

A better understanding of our energy problem and the high cost of delay in solving it should help restore the sense of urgency that was lost when the em-

bargo ended, the gasoline lines disappeared, and an adequate supply of most forms of energy became available—though at higher prices.

Our Energy Problem

The principal energy problem now facing the United States is our excessive and growing dependence on imported oil from a relatively few foreign nations that own the majority of world oil reserves and have the ability to control world oil prices and production. We are also faced with a problem of shortages of natural gas in some areas. This problem will become more serious this winter if unusually cold weather continues and will grow each year as production and interstate sales decline—resulting in job losses and economic dislocation.

Our situation is the result of several factors. For example, our economy and style of life—neither of which can be altered quickly—have been built upon cheap and abundant energy. Low prices, resulting from government regulations and policies, and heightened environmental concerns encouraged excessive reliance on oil and natural gas, rather than coal which we have in plentiful supply. This led to wasteful and inefficient uses of oil and gas.

Our domestic production of oil and natural gas peaked in the early 1970's and has been declining steadily as cheap, easily developed reserves have dwindled. In the early 1980's, oil and natural gas from Alaska and the Outer Continental Shelf—our last frontiers—will help offset the decline in production from on-shore areas. But, overall, domestic oil and gas production will again decline precipitously unless higher prices are available to cover the costs of developing resources which are not now economically feasible to produce.

Meanwhile, our energy demands are increasing to meet the needs of a growing economy. We are not expanding the use of coal and nuclear energy fast enough as substitutes for oil and gas, where this is possible, or to meet growing energy requirements. Instead we have turned to imports, and imports will continue to grow as we face declining production and depletion of oil and gas reserves.

The Costs of Dependence

The real price paid for our growing dependence on imported oil is our vulnerability to significant economic and social disruption from the interruption of oil imports. Apart from the inconvenience experienced by millions of people, the 1973-74 embargo and the resulting higher prices caused a loss of about 500,000 jobs and approximately \$20 billion in our Gross National Product. The sudden four-fold increase in OPEC oil prices contributed significantly

to inflation. Since 1974 our dependence on imports, particularly from Arab nations, has grown by a million barrels per day, so that an interruption of supply today would be even more disruptive of our economy than the 1973-74 embargo.

Another cost of energy dependence is the outflow of U.S. dollars to pay for imported oil, totalling about \$34 billion in 1976 or \$160 for each American, eleven times that in 1972.

Still another cost is the limitation on our freedom of action in international affairs due to our vulnerability to the threat of another interruption.

Realistic Energy Goals

In my first State of the Union Message two years ago, I outlined a comprehensive energy program for the Nation with goals of:

- Halting our growing dependence on imported oil.
- Attaining energy independence by 1985 by achieving invulnerability to disruptions caused by oil embargoes, by reducing oil imports to between 3 and 5 million barrels per day with an accompanying ability to offset any supply interruption with stored petroleum reserves and emergency standby measures.
- Mobilizing our technological capability and resources to supply a significant share of the free world's energy needs beyond 1985.

These goals do *not* mean that we should seek to eliminate all energy imports, because generally it will be in the Nation's best interest to continue importing energy when it can be obtained at lower cost—as long as we have the ability to withstand interruptions of supply from insecure sources.

The goals *do* mean that we should reduce and then eliminate our vulnerability. In the longer term, we should better use our resources and technological capability to regain our ability to assure the reasonableness of energy prices.

Whether the date I set for achieving energy independence and the level of imports I proposed are realistic has been the subject of considerable debate. I believe the goals could be attained if the Congress approved the critical legislation I proposed, but that is not the major point. The essential point now is that we recognize that our excessive dependence and vulnerability are costly and that it is in the Nation's best interest to solve the problem as soon as possible.

AVOIDING ILLUSIONS

A number of well-intentioned proposals have been advanced for dealing with our energy problems which, when evaluated, are found to have far less potential or merit than is claimed by their proponents. Four such proposals warrant spe-

cial attention: advanced energy technologies, energy conservation in lieu of increased production, abandoning nuclear fission energy or coal, and oil company divestiture. All four are likely to receive Congressional consideration this year.

Contribution of Advanced Technologies

There are repeated claims that fusion, solar or geothermal energy, or some other advanced technology, will soon provide a virtually risk-free answer to our energy needs. Such claims warrant and have been given very careful consideration because new technological developments have helped us solve many problems in the past.

There are three common myths about fusion, solar and geothermal energy:

- That major contributions to our energy supplies can be expected soon from these sources.
- That there are no serious economic, safety, technological or environmental problems to be overcome before these technologies are available for widespread use.
- That the remaining problems can be quickly resolved by greatly increasing Federal funding for R&D.

The facts are that major economic, safety and environmental problems must be solved and major technological breakthroughs are needed before these emerging technologies will be available for widespread commercial use.

Practical and economic applications are already available in the case of energy from geothermal steam. However, geothermal steam resources are geographically limited, and major technical, environmental and economic hurdles must be overcome before other sources of geothermal energy will be available for practical application.

Heating with solar energy is expected to become economically competitive soon in some areas with electrical heating by electricity—but not by oil and gas. Costs will have to be reduced substantially before solar heating and cooling systems will be competitive for widespread use. Major breakthroughs are needed before fusion and solar energy will produce economical electric power. Costs must be reduced and problems of safety and environmental impact must be solved.

Advanced technologies cannot contribute significantly to our energy supply in the near or mid-term. Even with intensive efforts to achieve necessary breakthroughs, solar, geothermal and fusion energy are expected to provide no more than one percent of our total energy supplies by 1985 and no more than five-seven percent by the year 2000. Until these advanced technologies are available

and are acceptable from the standpoint of cost, safety and environmental impact, we must rely on resources and technologies which are available.

Federal funding for the development of advanced technologies has been increased substantially over the past two years in my budgets—to the point where Congressional add-ons above my requests generally cannot be used productively. When major breakthroughs are required, the necessary ingredients are ideas and time. Large funding increases are likely to be wasteful and often merely contribute to overly optimistic expectations.

Energy Conservation in Lieu of Production

There are some who believe that our energy needs for a growing population and expanding economy and workforce can be satisfied by eliminating wasteful and inefficient uses of energy. They point out correctly that the ready availability of cheap energy in the past tended to encourage uses of energy which now are wasteful.

There is no question but that energy conservation can and must contribute to the solution of our energy problems. In many cases it will be cheaper, more efficient, and involve less environmental impact, to reduce energy waste than it will be to produce a comparable amount of new energy. We have begun major efforts in energy conservation, and progress is being made in reducing growth in energy consumption. However, it takes time to achieve results from energy conservation because energy-intensive plants and equipment and consumer products (such as automobiles and appliances) will only be replaced gradually as they wear out.

Growth in our energy demands simply cannot be eliminated without severe economic impact. We must have *both* energy conservation and sharply increased energy production if we are to meet the needs for energy in a growing economy. To rely solely on energy conservation would soon mean a lower standard of living for all, and insufficient energy to keep people employed in productive and meaningful work.

Abandoning Coal Energy or Nuclear Fission

Some believe that we should not continue or expand the use of coal and others have the same view about nuclear energy. But a careful look indicates that we do not have a *choice* between increasing the use of coal or nuclear energy. Instead, we must increase the use of *both* coal and nuclear energy until more acceptable alternate energy sources are available. Even with strong efforts to conserve energy, and increased efforts to produce domestic oil and natural gas, we must increase the use of both coal and nuclear energy if we are to meet

the demands for energy for a growing economy. The only alternative is to increase our growing dependence on imported oil.

One example will illustrate the point: Nuclear energy now provides about nine percent of our electrical requirements. If this nuclear energy were not available and we substituted imported oil, our imports would increase by about one million barrels of oil per day. If we were to substitute coal for existing nuclear energy, additional annual production of 100 million tons would be required.

Divestiture

Some suggest that our energy problem would be relieved by divestiture of the major oil companies—either by barring investments in other energy sources (horizontal divestiture) or by barring integrated operations whereby one company engages in production, refining, and marketing activities (vertical divestiture). They claim that divestiture would increase competition and thereby reduce petroleum prices and lead to a more intensive pursuit of alternative domestic energy resources and alternative energy technologies.

Experience has demonstrated important advantages from vertical integration in commercial and industrial activities in terms of efficiency of operation. Vertical divestiture may merely mean that petroleum products pass through the hands of more middle men—resulting in higher consumer costs. Horizontal integration has helped make private capital and managerial talent available to develop other alternative energy resources which will be used to supplement our declining oil and natural gas resources.

Proponents of divestiture have yet to present concrete evidence that divestiture would either increase domestic energy production or provide cheaper and more secure energy supplies. Such evidence should be required and weighed carefully along with the evidence against divestiture before the Congress acts.

DANGERS OF EXPANDING THE FEDERAL ROLE IN ENERGY

Much of the dispute over energy legislation has resulted from differing views as to the appropriate role of the Federal Government.

The primary responsibility for providing the Nation's energy needs has been and should continue to rest with the private sector. The amount and forms of energy that are produced and used depend upon literally millions of decisions reached daily by individuals and organizations throughout the country. Since energy is such a pervasive component of our economy and our daily lives, special care must be taken to assure that Federal actions affecting energy—including

changes in the Federal role—will help solve the problem rather than make it worse or cause new problems.

The Congress should give particular attention to the growing concern throughout the country about the size and cost of Government, the extent of Government intrusion in individuals' activities, and the burden of regulations which restrict freedom of choice. Unfortunately, the people who develop Government rules and regulations often do not understand adequately the conditions they are regulating nor appreciate fully the impact of their decisions on the millions of people who are affected.

The question of the proper role of the Federal Government in energy has become important in the case of:

- Controls over decisions that would normally be made in the marketplace.
- Mandatory conservation measures.
- Resource exploration and energy production.
- Energy research, development and demonstration.

Government Controls or Marketplace Decisions

Many legislative proposals will involve the question of whether there should be greater reliance on decisions made in the marketplace or upon regulations, standards and controls developed by the Federal Government.

Recent experience has again demonstrated that Federal price and allocation controls on energy ultimately work against the best interests of consumers because they reduce incentives to produce new supplies, they reduce competition and they reduce freedom of choice. For example, Federal price controls on natural gas have been a major factor leading to declining production and to wasteful and inefficient use of this resource. Also, controls on crude oil have contributed to a decline in production.

Federal price and allocation controls inevitably mean that the Government must employ people to develop, issue and revise regulations; to sit in judgment on requests for exceptions when the regulations do not fit real world circumstances; and to enforce the regulations. Federal controls means that millions of decisions by producers, distributors, wholesalers, retailers *and* consumers must conform with Government-developed regulations—even when the people directly involved know that another course of action makes more sense and would still be in the national interest.

The principal alternative to Federal regulation and controls is to allow prices and allocation of energy supplies to be determined in the marketplace—with decisions made by individuals most directly affected. In some cases, avoiding or eliminating price controls can mean somewhat higher consumer prices in the

short run. But the higher prices help stimulate new production and cut down on wastefulness. Market decisions are also made faster and more efficiently, and often result in cheaper prices than if the government made the decision. For example, the higher prices that will result from removing price controls from new natural gas would be less costly for consumers than the expense of switching to higher priced alternative fuels.

Mandatory Conservation Measures

Most of the problems resulting from Federal price controls also result from Federal attempts to dictate specific actions by individuals to conserve energy. The prospect of higher energy prices already is stimulating major efforts by individuals and organizations throughout the country to use existing products and develop new means to reduce wasteful and inefficient uses of energy. Such voluntary action by consumers is far preferable to mandatory measures selected and enforced by a larger and more obtrusive Government.

Resource Exploration and Energy Production

The Congress will again be faced with the question of whether the Federal Government should be directly involved in energy resources exploration, development, production and refining activities.

Some argue that such activities can be performed better by the Federal Government, that it is necessary to have a Government "standard" to evaluate private industry performance and prices, or that subsidized Government performance is necessary to hold down consumer prices. Others argue that the Government should itself explore Federal lands to better ascertain the value of lands that it leases for the production of energy resources.

In fact, the Federal Government can seldom perform these functions faster, more efficiently or at lower cost than private industry. There is no convincing evidence that the competitive leasing system now used does not provide a fair return and adequately protect the public interest.

Despite this, proposals undoubtedly will continue to surface which would expand the size and role of the Federal Government to include exploration, production and related activities. Accordingly, the best course of action will be to insist upon hard facts to support the proposal and close scrutiny of each measure to see whether the advantages outweigh the disadvantages.

Energy Research, Development and Demonstration

Still other questions before the Congress involve the Federal role and funding for developing, demonstrating and promoting the use of new technologies for energy production and conservation.

I believe that Federal funding is necessary and appropriate for the development of new energy technologies which show promise of providing a significant and economical way of producing or conserving energy—but only when such technologies would not be developed by the private sector. During the past two years, I have requested major increases in funding for energy R&D to carry out this policy.

However, continued vigilance is needed to prevent the use of Federal funds to duplicate or displace funds which industry would otherwise spend, and to insure that the Federal Government does not fund efforts which industry has rejected for lack of merit.

In addition, new energy technologies must find acceptance and application in the private sector—unlike the situation in military and space exploration programs where the Federal Government is the only customer. This presents a special challenge because those responsible for managing Federal funds for energy R&D often are not in a good position to determine which technologies are likely to meet success in the private sector.

The Federal Government is not well equipped to carry out commercialization, marketing, promotional and technical assistance for particular energy technologies, products and services. Such activities should be left to private industry.

At present, the Federal activities that would contribute most to the resolution of our energy problem are:

- Adopting changes in laws, policies and programs that will lead to a framework within which individuals and organizations outside the Federal Government can make efficient, effective and equitable decisions about energy. Laws and policies which discourage energy production or energy conservation should be modified.
- Providing carefully targeted support for energy R&D.
- Providing incentives and assistance where necessary—such as tax relief—in order to encourage energy conservation and aid low-income people in adjusting to higher energy prices which are necessary to generate new, adequate supplies.

INTERDEPENDENCE OF THE U.S. AND OTHER CONSUMER NATIONS

The 1973–74 embargo, and the impact of sharply increased prices for OPEC oil, demonstrated clearly that the interests of the United States are tied closely to those of other nations which are net importers of energy. Events in the last three years have demonstrated further that the economies of all nations are interre-

lated and that no nation can be truly economically independent in the world today. Many of our allies, and particularly the developing countries, do not have major undeveloped energy resources and therefore are even more dependent upon imported energy than is the United States.

Much progress has been made in strengthening energy cooperation among the industrialized nations through the International Energy Agency. Together we have coordinated efforts to reduce our collective vulnerability by establishing a long-term program for conservation and development of new energy sources, and an energy-sharing program to safeguard against supply interruptions. It is in the best interests of the United States to continue to work with and assist other energy-consuming countries in meeting their energy needs—by reinforcing their conservation efforts, accelerating development of conventional and new energy sources, and encouraging the application of practical new energy technologies.

Such efforts will help to achieve our objective over the long term of a better equilibrium between energy supply and demand in the world, so that no one group of nations will be able to impose its will on others. Unless we are willing to cooperate with others, and provide adequate assistance in this area, continued dependence by many nations on a few countries for energy supplies will remain a major source of world political instability, uncertainty, and economic hardship.

At the same time, of course, we must continue our efforts to strengthen relations between oil-importing and exporting nations, recognizing that cooperation is important to the future well-being of both.

ACHIEVING BALANCE AMONG CONFLICTING OBJECTIVES

In recent years, we have been faced more and more with the dilemma that actions taken to achieve one important objective conflict with efforts to achieve other objectives. For example, we learned that tough standards and deadlines applied in the early 1970's to reduce pollution from automobiles and improve air quality resulted in lower gasoline mileage and higher gasoline consumption, poorer vehicle performance and higher consumer costs.

Conflicting objectives are becoming more and more apparent as we recognize that the easy solutions are illusions and that there are major dangers in expanding the Federal role. The Nation must, therefore, face up to the task of achieving a balance among conflicting objectives involving energy.

Low Consumer Prices vs. Adequate and Secure Energy Supplies

The reality that must be faced which appears to cause the most difficulty for elected officials is the inevitability of higher energy prices. Energy prices, particularly for consumers, will increase in the future principally because prices in the past have been held artificially low through Government controls, because cheaper domestic energy resources are being depleted, because past energy prices have not reflected the costs of environmental protection, and because foreign nations are charging more for the energy that they export. There simply are no cheap energy alternatives. Higher prices will continue to be a major factor in obtaining adequate and secure energy supplies.

This difficulty is compounded for elected officials because it takes a long time in energy matters for our actions to show results—a condition that is not readily accepted in a Nation that prefers quick results. The prospect of higher prices will provide the incentive for increased energy production but it then takes up to 5 years, for example, to bring a new off-shore oil well into production and up to 10 years to bring a new nuclear electric generating plant on line.

Environment vs. Energy

An equally difficult problem is that of finding the best possible balance between our energy and environmental objectives. Our environmental objectives are also important in protecting health and welfare, improving our quality of life, and preserving natural resources for future generations. On the other hand, an adequate energy supply is essential to our objectives for a strong economy, national defense and role in world affairs, and in achieving a better life for all.

The conflict between energy and environmental objectives will require attention when the Congress considers amendments to the Clean Air Act, changes in laws governing the development of Federally-owned energy resources, improvements in the processes for siting and approving energy facilities, and controls on domestic energy production activities such as the surface mining of coal.

More specifically, air quality requirements forced shifts away from the use of domestic coal to the use of oil and natural gas which are now in short supply. Some air quality requirements—particularly emission standards set by states—are far tighter than necessary to meet standards which have been set to protect human health.

Efforts are now underway to reverse this trend but it is clear that increased production and utilization of domestic coal in the short term requires either

billion dollar investments in controversial control equipment or some relaxation of existing air quality requirements. Most such requirements were set before we were aware of our energy problems, and often without sufficient regard to energy or consumer price impact. They often prevent substitution of coal resources for oil and gas and prevent construction of new coal producing and burning facilities.

As another example, concerns about environmental protection and reclamation requirements for surface mining activities led to legislation—twice vetoed—which would have imposed unnecessarily rigid requirements, cut domestic coal production and employment and led to even greater reliance on imported oil. Under these bills, Federal regulations and enforcement activities—which would contribute to a larger more cumbersome Federal Government—would have supplanted State laws and enforcement activities which are now in place and which require reclamation as a condition of mining.

Limiting Growth

The concept of limiting growth and development is an important ingredient in some efforts to halt increased domestic energy production or to develop and use newer energy technologies. Limits on growth and development may be necessary in particular areas, but I oppose strongly the concept of limiting growth as an objective in itself. For the Nation, I continue to believe that our best hope for increasing the standard of living and quality of life for all our people is to expand and strengthen our economy and, in this way, create meaningful and productive jobs for all who are willing and able to work. The energy policies and goals that I have advocated do not require limiting our economic growth below historic rates.

Eliminating Risk

In some cases, attempts to increase domestic energy production—particularly from nuclear energy and coal and oil and gas resources from Outer Continental Shelf—are met with demands that virtually all safety and environmental risks be eliminated.

There should be no disagreement that major efforts are necessary to protect human health and the environment. For example, strong efforts have already been made in the case of nuclear energy and an excellent record of safety and minimum environmental impact has been achieved. However, it must be recognized that there is no practical way of completely eliminating all risks. Further, each additional precaution adds cost in terms of reduced supplies or higher prices. Risk levels that have already been achieved in many energy producing

activities are often far lower than those readily accepted in other human activities.

Because different Committees of Congress have responsibility for competing objectives, it is especially difficult to achieve a satisfactory balance among our national objectives in new legislation. This will be a continuing problem in the new Congress and I can only urge that each measure affecting energy supply and demand, which also involves other objectives, be evaluated carefully to assure that the resulting costs, risks and benefits are truly in the national interest.

THE NEED FOR SUBSTANTIVE LEGISLATION AFFECTING ENERGY

We have made significant progress over the past two years toward establishing the framework of law and policies that are needed to permit decisions and actions that will help solve our energy problem.

Nine of the proposals that I submitted have been enacted into law. However, there remains a long list of requirements for early Congressional action.

Highest Priority

Because of the large number of legislative proposals that need action, I want to make clear that I believe highest priority should be given to measures which:

—Remove Federal price regulation from new natural gas supplies. This action is crucial to increasing domestic production and reducing wasteful and inefficient uses.

—Revise domestic crude oil price controls to allow greater flexibility in establishing a pricing formula that will encourage increased domestic production and assist in phasing out controls. This action is needed to overcome problems in the current law and to reduce market distortions that have resulted.

—Make clear our determination to expand capacity in the United States, principally through the efforts of private industry, to enrich uranium needed to provide fuel for nuclear power plants. This action is necessary to permit increased use of nuclear power in the U.S. and to assure other nations that we will be a reliable supplier of uranium enrichment services—a step that is critical to our nuclear non-proliferation objectives.

—Amend the Clean Air Act to:

—Change the statutory requirements for meeting auto emission standards so that there can be a better balance among our environmental quality, energy, economic and consumer price objectives.

—Provide flexibility in meeting national air quality standards applicable to power plants and major industrial facilities so that the use of coal can be continued and expanded, and so that new energy-producing facilities can be constructed in selected areas that have not yet attained national air quality standards.

—Remove the requirement imposed by the courts for preventing significant deterioration of air quality in areas already meeting air quality standards—until information is available on the impact of such actions and informed decisions can be made.

Other Important Proposals

In addition to the above select list, favorable action is needed from the Congress on legislation in all the following areas:

—Natural Gas

—Temporary emergency legislation to allow pipelines and high priority users to obtain intrastate gas at unregulated prices for limited periods—to help cope with shortages and curtailments.

—Oil

—Authorization for the President to impose fees and taxes as standby emergency measures to reduce energy consumption in the event of another embargo—to avoid the inefficiencies and burdens of mandatory conservation measures in such emergencies.

—An Oil Spill Liability Act—to establish a comprehensive system of liability and compensation for oil spill damage and removal costs.

—Authorization for private competitive exploration and development of the National Petroleum Reserve in Alaska.

—Coal

—Extension of the authority to require utilities and other major fuel-burning installations to convert from oil and gas to coal.

—Changes in provisions of the Coal Leasing Amendments Act of 1976 which unnecessarily delay or restrict leasing and development of coal on Federal lands.

—Authority for the use of eminent domain in the construction of coal slurry pipelines and authority for the Secretary of the Interior to issue certificates of public convenience and necessary to expedite slurry pipeline construction.

—Nuclear Energy

—Authority for the Energy Research and Development Administration to enter into cooperative agreements with firms wishing to finance, build, own and operate uranium enrichment plants—to assure the availability of required ca-

capacity and avoid the need for billions of dollars in Federal outlays when the private sector can provide the financing.

—Authority to increase the price for uranium enrichment services performed in Government-owned plants—to assure a fair return to the taxpayers for their investment, to price services more nearly comparable to their private sector value, and to end the unjustified subsidy by taxpayers to both foreign and domestic customers.

—Criteria for the control of nuclear exports which is necessary to round out the comprehensive non-proliferation, export control, reprocessing evaluation and waste management program I outlined in my October 28, 1976, statement on nuclear policy.

—Reform the nuclear facilities licensing process by providing for early site review and approval and encouraging standardization of nuclear facility design.

—Building Energy Facilities

—Establishment of an Energy Independence Authority (EIA), a new government corporation, to assist private sector financing of new energy facilities.

—Legislation to encourage states to develop comprehensive and coordinated processes to expedite review and approval of energy facilities siting applications, and to assure the availability of sites.

—Energy Conservation

—Tax credit for homeowners to provide up to \$150 for purchasing and installing insulation in existing residences.

—Reform of rate setting practices applicable to public utilities—to expedite consideration of proposed rate changes and assure that rates reflect full costs of generating and transmitting power.

1978 BUDGET REQUESTS

My 1978 Budget which will soon be forwarded to the Congress will include major new funding to:

—Continue and expand our extensive program of energy research and development in cooperation with private industry which is directed toward new technologies for conserving energy and for producing energy from fossil, nuclear, solar and geothermal sources.

—Implement the Early Storage Program as part of the Strategic Petroleum reserves which will provide up to 500 million barrels of oil for use in emergency situations such as an embargo.

—Implement my comprehensive nuclear policy statement issued on October 28, 1976.

—Continue ERDA's development program on the liquid metal fast breeder reactor—to resolve any remaining environmental, safety and safeguards questions—so that this technology will be available to bridge the gap until advanced technologies can make their contribution to our energy needs.

—Provide increased operating funds for other Federal energy activities.

I urge the Congress to approve these funding requests.

REORGANIZATION OF FEDERAL ENERGY ACTIVITIES

Under the provisions of the Energy Conservation and Production Act of August 1976, I am called upon to make recommendations to the Congress with respect to the reorganization of Federal energy and natural resource activities. At my direction, a major study of alternatives had already been undertaken in May 1976 under the leadership of the Energy Resources Council and the Office of Management and Budget.

I have reviewed the findings and recommendations from the study. Within the next few days, I will forward my recommendations to the Congress.

TIME TO ACT

The Nation has waited far too long for completion of a sound and effective national energy policy. In many cases, the issues are complex and controversial, the decisions are tough to make—particularly because the right decisions will be unpopular in the short run. The costs of continued energy dependence are far too great for further delay.

The Congress *can* act. It is a matter of organizing itself to make the tough decisions and choices and moving ahead with the task. I urge the Congress to weigh the alternatives carefully and proceed promptly.

GERALD R. FORD

The White House,
January 7, 1977.

1046

**Special Message to the Congress Reporting on Budget
Deferrals. January 7, 1977***To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report four new routine deferrals of funds totalling \$685.0 million. The deferred funds were provided for the U.S. Railway Association and the U.S. Information Agency.

In addition, I am reporting routine revisions to five deferrals previously transmitted. They relate to programs of the Departments of Commerce and Health, Education, and Welfare, the General Services Administration, and the American Revolution Bicentennial Administration. The combined effect of the revisions is to increase the amount deferred by \$130,000.

The details of each deferral are contained in the attached reports.

GERALD R. FORD

The White House,
January 7, 1977.

NOTE: The attachments detailing the deferrals are printed in the Federal Register of January 10, 1977 (42 FR 2914).

1047

**Message to the Congress Transmitting the United
States-China International Fishery Agreement.
January 10, 1977***To the Congress of the United States:*

In accordance with the Fishery Conservation and Management Act of 1976 (P.L. 94-265; 16 USC 1801), I transmit herewith a governing international fishery agreement between the United States and the Republic of China, signed at Washington on September 15, 1976.

This Agreement is significant because it is one of the first to be negotiated in accordance with that legislation. I urge that the Congress give favorable consideration to this Agreement at an early date. Since 60 calendar days of continuous session as required by the legislation are not available before March 1,

1977, I strongly recommend that the Congress consider issuance of a joint resolution to bring this Agreement into force by that date.

GERALD R. FORD

The White House,
January 10, 1977.

NOTE: The agreement is printed in Treaties and Other International Acts Series (TIAS 8529).

1048

Message to the Congress Transmitting the United States-Romania International Fishery Agreement.
January 10, 1977

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (P.L. 94-265; 16 USC 1801), I transmit herewith a governing international fishery agreement between the United States and the Socialist Republic of Romania, signed at Bucharest on November 23, 1976.

This Agreement is significant because it is one of a series to be negotiated in accordance with that legislation. I urge that the Congress give favorable consideration to this Agreement at an early date. Since 60 calendar days of continuous session as required by the legislation are not available before March 1, 1977, I strongly recommend that the Senate consider issuance of a joint resolution with the House of Representatives in order to bring this Agreement into force by that date.

GERALD R. FORD

The White House,
January 10, 1977.

NOTE: The agreement is printed in Treaties and Other International Acts Series (TIAS 8825).

1049

Message to the Congress Transmitting the United States-German Democratic Republic International Fishery Agreement. *January 10, 1977*

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (P.L. 94-265; 16 USC 1801), I transmit herewith a governing international

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fishery agreement between the United States and the German Democratic Republic, signed at Washington on October 5, 1976.

This Agreement is significant because it is one of the first to be negotiated in accordance with that legislation. I urge that the Congress give favorable consideration to this Agreement at an early date. Since 60 calendar days of continuous session as required by the legislation are not available before March 1, 1977, I strongly recommend that the Congress consider issuance of a joint resolution to bring this Agreement into force by that date.

GERALD R. FORD

The White House,
January 10, 1977.

NOTE: The agreement is printed in Treaties and Other International Acts Series (TIAS 8527).

1050

Message to the Congress Transmitting the United States-Soviet Union International Fishery Agreement.

January 10, 1977

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (P.L. 94-265; 16 USC 1801), I transmit herewith a governing international fishery agreement between the United States and the Union of Soviet Socialist Republics, signed at Washington on November 26, 1976.

This Agreement is significant because it is one of a series to be negotiated in accordance with that legislation. I urge that the Congress give favorable consideration to this Agreement at an early date. Since 60 calendar days of continuous session as required by the legislation are not available before March 1, 1977, I strongly recommend that the Senate consider issuance of a joint resolution with the House of Representatives in order to bring this Agreement into force by that date.

GERALD R. FORD

The White House,
January 10, 1977.

NOTE: The agreement is printed in Treaties and Other International Acts Series (TIAS 8528).

1051

Message to the Congress Reporting on Administration
Efforts to Settle the Cyprus Conflict. *January 10, 1977*

To the Congress of the United States:

This report is the seventh in a series of messages pursuant to Public Law 94-104 through which I have informed the Congress of my Administration's efforts to encourage progress toward a resolution of the problems of Cyprus. In addition to reviewing those efforts, this report will offer several conclusions with regard to the role the United States can and should play in settlement of the Cyprus dispute.

I know the Congress shares my views that a just and early settlement of the Cyprus issue is essential both for humanitarian reasons and to preserve peace in an area of great importance to the United States. For more than two years my Administration has actively sought to help the Cypriot communities find the basis for substantive and sustained negotiations. We have given the UN Secretary General our full and active support in the negotiations conducted under his auspices, negotiations which I believe continue to offer the best possible forum for progress.

I also know the Congress shares my deep regret that progress in the negotiations has been extremely slow. Inconclusive procedural disputes have diverted the parties from pressing issues of substance. Domestic pressures and international rivalries have detracted from the will and commitment that are essential to progress.

In an effort to break this impasse, my Administration has sought over the past several months to develop a set of basic principles that might provide a framework for continued and fruitful intercommunal negotiation. These principles are based on the concepts which I set forth in my sixth report to the Congress and which Secretary of State Kissinger expressed in his September 1976 UN General Assembly address. These concepts rest on a fundamental premise which I believe all concerned parties continue to share—that any settlement must preserve the independence, sovereignty, and the territorial integrity of Cyprus. These concepts emphasize the importance of territorial adjustments to reduce the area controlled by the Turkish side, while taking into account the economic requirements and humanitarian concerns of the two Cypriot communities, including the plight of those who remain refugees. Constitutional arrangements are of equal importance in providing conditions under which the two com-

munities can live in freedom and have a large voice in their own affairs. Finally, security arrangements which would permit the withdrawal of foreign military forces other than those present under international agreement are essential for a lasting settlement.

Based upon these concepts, the United States has engaged over the past several months in extensive consultations on the Cyprus issue with the nine-member states of the European Community, seeking their support for a new and accelerated approach. Through these consultations we are jointly developing the basic principles which we hope will stimulate the negotiations. We have been greatly impressed and encouraged by the extent to which there is a consensus in these consultations on both the principles and the urgent need to reopen substantive intercommunal negotiations.

I remain convinced, however, that neither the United States nor any other outside country or group of countries should seek to impose a settlement on Cyprus. The principles we are developing should serve only as a basis for negotiation. It is the Cypriot communities themselves who must ultimately decide their relationship and final territorial arrangements.

In addition it is clear that a final solution must also have the support of the Greek and Turkish governments. It is my firm conviction that we must seek to maintain the trust and friendship of both these NATO allies. Thus my Administration has sought to strengthen through negotiation our security ties with both Greece and Turkey. We have consistently sought to follow a balanced course in strengthening our relations throughout the area. We therefore welcomed the steps taken by the Congress to relax the arms embargo on Turkey so that Turkey can better meet its NATO obligations. We have demonstrated through tangible assistance our support for Greece. We have worked actively, both directly and through the United Nations Security Council, to defuse recent tensions between Greece and Turkey over the Aegean. These two countries have now agreed to a negotiating process called for in the U.S. sponsored Security Council Resolution which I hope will lead to a settlement of their dispute.

It is essential to the success of an equitable and lasting Cyprus settlement that the United States maintain a balanced relationship among all concerned parties. It would be a mistake to place undue pressure on any one party for the sake of what appears to be a quick settlement. I believe the Congress would agree that such a path would neither promote lasting progress on Cyprus nor serve the cause of stability in the Mediterranean.

I am not pessimistic about the future of the Cyprus negotiations. I continue

to believe that a way can and will be found to achieve a just and equitable settlement which will enable all of the people of Cyprus to shape a harmonious and prosperous future.

GERALD R. FORD

The White House,
January 10, 1977.

1052

**Remarks Upon Presenting the Presidential
Medal of Freedom. January 10, 1977**

Distinguished honorees, ladies and gentlemen:

Betty and myself are delighted to welcome all of you to the East Room of the White House today. And it is a great privilege and pleasure for us to participate in this auspicious occasion where we have the opportunity of honoring such an outstanding group of men and women on this occasion. Some of you we know personally, others we are meeting for the first time, but you are all here because of your great contributions to American life.

It is a particular privilege for me because honoring extraordinary Americans on behalf of their fellow citizens is one of a President's most enjoyable duties.

The Medals of Freedom you are about to receive are the highest civilian honor that our country can bestow. Of course, excellence has its own reward, not only to those who strive for it but also to the free society which encourages it. You are men and women who have used that freedom to achieve extraordinary excellence. Your outstanding accomplishments have made our lives better and set stirring examples for others to follow.

As we move from the Bicentennial Year into our third century, America must remain a place where men and women are encouraged to create, to innovate, to explore, and to set the very highest standards, whatever their vocation.

Our country and all mankind will always need people like you whose energy, whose imagination reveal our country's greatest potential.

With those remarks let us proceed with the presentations.

[At this point, Terrence O'Donnell, Aide to the President, read the citations for the award winners. Following the reading of each citation, the President personally presented the medal to each recipient or his representative.]

I. W. ABEL

"Steelworker, social reformer, union organizer, and labor statesman, I. W. Abel has forged a distinguished record of wise and firm leadership that exemplifies the very best traditions of the American labor movement. His many achievements and his unfailing concern for people have earned him not only the gratitude, but the esteem and respect of fellow citizens."

JOHN BARDEEN

John Bardeen, represented by his son, William Bardeen. "A physicist of genius, John Bardeen has combined formidable and unique scientific insights with the mathematical ability to carry them through. His discoveries have revolutionized electronics and communications changing each of our lives for the better. We are proud to honor him as a creative master in the finest traditions of science and technology."

NORMAN BORLAUG

"Revolutionary scientist and eloquent prophet, he performed miracles with grain and saved untold millions from starvation. His work has pushed back the shadow of hunger on this planet and given us precious time to force its final retreat."

GENERAL OMAR N. BRADLEY

"Military hero, courageous in battle, and gentle in spirit, friend of the common soldier, General of the Army, first Chairman of the Joint Chiefs of Staff, he embodies the best of the American military tradition with dignity, humanity, and honor."

ADMIRAL ARLEIGH BURKE

"Combat commander, innovative naval strategist and tactician, inspiring leader, first three term Chief of Naval Operations, he made the sea a place of victory in war, a mighty fortress in peace."

BRUCE CATTON

"Man of letters, preeminent historian of the War Between the States, he made us hear the sounds of battle and cherish peace. He made us see the bleeding wound of slavery and hold man's freedom dear."

JOE DiMAGGIO

Joe DiMaggio, represented by his brother, Dominick DiMaggio. "Superb athlete, coach, author and businessman, Joe DiMaggio stands tall among the ranks of genuine American heroes. Known and revered around the world as the 'Yankee Clipper,' he contributed many years of style and splendid ability to the sport which has come to be known as our national pastime. His character and grace both on and off the playing field have been a continuing source of inspiration to Americans of all ages."

ARIEL DURANT

"Writer, historian and philosopher, Ariel Durant has combined a sensitive and sweeping vision with unique literary talents. Her lifelong collaboration with her husband, Will, has helped make history accessible, popularizing but never cheapening its lessons. The style and substance of her writing have made the past more vivid and enriched our lives in the present."

WILL DURANT

"Writer, historian and philosopher, Will Durant has provided an open window into the lives and thoughts of past ages. With the collaboration of his wife, Ariel, he has helped lead us through the past to the meaning of the present. An eloquent apostle of social order and individual freedom, he is an enemy of chaos, a friend and an invaluable guide to the millions of grateful readers."

JUDGE HENRY J. FRIENDLY

"Honored student and servant of the law, man of intellect and wisdom, he brought a brilliance and a sense of precision to American jurisprudence, sharpening its focus and strengthening its commitment to the high goal of equal and exact justice for every American citizen."

LADY BIRD JOHNSON

"One of America's great First Ladies, she claimed her own place in the hearts and history of the American people. In councils of power or in homes of the poor, she made government human with her unique compassion and her grace, warmth and wisdom. Her leadership transformed the American landscape and preserved its natural beauty as a national treasure."

ARCHIBALD MACLEISH

Archibald MacLeish, represented by his nephew, Roderick MacLeish. "Poet and playwright, teacher and statesman, Archibald MacLeish has combined the vocation of man of letters with that of public spokesman. A poet of realities as well as dreams, his eloquent words are matched by his sensitive social conscience. He seeks truth inspired by love of his fellow men and of his country. We are proud to recognize his stature as a humanist, an artist, and an American."

JAMES ALBERT MICHENER

"Author, teacher and popular historian, James Michener has entranced a generation with his compelling essays and novels. From 'Tales of the South Pacific,' to 'Centennial,' the prolific writings of this master storyteller have expanded the knowledge and enriched the lives of million."

VICE PRESIDENT NELSON A. ROCKEFELLER

"Patriot, philanthropist, patron of the arts, diplomat, Governor of New York, Vice President of the United States, his long years of service to his country have yielded governmental, economic, social and cultural contributions beyond measures."

NORMAN ROCKWELL

Normal Rockwell, represented by his son, Jarvis Rockwell. "Artist, illustrator and author, Norman Rockwell has portrayed the American scene with unrivaled freshness and clarity. Insight, optimism and good humor are the hallmarks of his artistic style. His vivid and affectionate portraits of our country and ourselves have become a beloved part of the American tradition."

CATHERINE FILENE SHOUSE

"Catherine Filene Shouse has given her country half a century of invaluable voluntary service. A pioneer in job training for women, she herself is an outstanding example of what good taste and intelligence, pragmatism and persistence can accomplish. A working patron of the arts as well as a giving one, her keen interest and involvement have enriched immeasurably our Nation's cultural life."

JAMES D. WATSON

"Scholar, teacher, author and scientific pioneer, James D. Watson has challenged the mysteries of life itself and charted a new path in mankind's endless search for truth. His intellectual courage and relentless pursuit of scientific knowledge have earned him the respect and admiration of his country and a permanent place as one of the great explorers of the 20th century."

ARTHUR FIEDLER

"Violinist, conductor and musical innovator, Maestro Fiedler has bridged the gap between popular and classical music and given millions around the world a greater appreciation of America's rich cultural heritage. His spirit and zest for living have made an immeasurable contribution to the quality of American life."

Mr. President, that concludes the presentations. Lowell Thomas, who is on his way, has been delayed because of inclement weather.

THE PRESIDENT. We all regret that Lowell Thomas, because of inclement weather, couldn't make it. He is on his way and, hopefully, he will arrive before the luncheon is over.

But let me again congratulate each and every one of you. I regret that Irving Berlin, Alexander Calder, the late Alexander Calder, and Georgia O'Keeffe were unable to be represented here today. We will of course present their medals to them or to their families at a later date.

In closing, let me voice our country's deep gratitude and great appreciation, not only to you but to all those who helped you achieve what you accomplished. Each of you has friends, coworkers, teammates, families who share in your achievements and in our pride today.

Again, congratulations and very best wishes.

Now, Betty and I will join the honorees in the Grand Hall so that the other guests may meet them and after which, we want you all to join us in the State Dining Room.

Thank you very much.

NOTE: The President spoke at 12:20 p.m. at a ceremony in the East Room at the White House.

1053

Letter to Congressional Committee Chairmen Transmitting a Report on the Status of Indochina Refugees. January 10, 1977

IN ACCORDANCE with the provisions of the Indochina Migration and Refugee Assistance Act of 1975, I am reporting to you on the status of refugees from Cambodia and South Vietnam.

As my report to you shows, we continue to make substantial progress in the resettlement and assimilation of the Indochina refugee into American life. During the past quarter our attention has been focused particularly on the development of marketable job skills and English language proficiency for the resettled refugee. At the same time, however, we have brought into the United States almost all the remaining refugees authorized under the extended parole program. These new refugees will require our special attention and assistance.

I take this opportunity to acknowledge and thank the voluntary agencies, the public and private institutions and the many individual families that have contributed so generously to this program. Their support has aided these newcomers to our country and, through them, all our society.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable James O. Eastland, Chairman, Senate Committee on the Judiciary; the Honorable Peter W. Rodino, Chairman, House Committee on the Judiciary; the Honorable John J. Sparkman, Chairman, Senate Committee on Foreign Relations; the Honorable Thomas E. Morgan, Chairman, House Committee on International Relations; the Honorable

John L. McClellan, Chairman, Senate Committee on Appropriations; and the Honorable George H. Mahon, Chairman, House Committee on Appropriations.

The report is entitled "HEW Task Force for Indochina Refugees, Report to the Congress, December 20, 1976."

1054

Message to the Congress Transmitting a Report on the Organization of Federal Energy Functions. January 11, 1977

To the Congress of the United States:

Under the provisions of section 162(b), P.L. 94-385, the Energy Conservation and Production Act of 1976, I am required to submit recommendations to the

Congress on the reorganization of Federal energy and natural resources activities.

A study of alternative organizational arrangements has been underway since May 1976 under the leadership of the Office of Management and Budget and the Energy Resources Council.

After considering the alternatives, I have decided to recommend that the Congress approve creation of a Department of Energy. The details of the proposed organization, together with the necessary legislation, are included in the enclosed report which was prepared by the Office of Management and Budget and the Energy Resources Council.

I commend the report to the attention of the Congress and urge prompt action to create a Department of Energy.

GERALD R. FORD

The White House,
January 11, 1977.

NOTE: The report is entitled "The Organization of Federal Energy Functions, A Report from the President to the Congress—January 1977" (Government Printing Office, 78 pp.).

1055

**Message to the Congress Transmitting Quarterly
Report of the Council on Wage and Price Stability.
*January 11, 1977***

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the eighth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the third quarter of 1976 in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's study of collective bargaining negotiations for 1976, health costs, aluminum prices, and chlorine, caustic soda prices as well as its filings before various Federal regulatory agencies.

During the remainder of 1976, the Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies

by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

GERALD R. FORD

The White House,
January 11, 1977.

NOTE: The report covering the period July through September 1976 is entitled "Quarterly Report: Oct. 1976—Council on Wage and Price Stability, Execu-

tive Office of the President, Washington, D.C., No. 8."

1056

**Message to the Congress Transmitting Report of the
United States Sinai Mission. *January 11, 1977***

To the Congress of the United States:

I am pleased to transmit herewith the Second Report of the United States Sinai Support Mission. This report, following that which I forwarded on April 30, 1976, describes the manner in which the Mission is carrying out its responsibility for operating the early warning system in the Sinai, as specified in the Basic Agreement between Egypt and Israel and its Annex signed on September 4, 1975. This report is provided to the Congress in conformity with Section 4 of Public Law 94-110 of October 13, 1975.

The Report includes a summary of the operations of the early warning system since its inauguration on February 22, 1976, and a description of the Mission's permanent base camp facilities which were officially dedicated on July 4.

With the completion of major construction activity, it has been possible to reduce somewhat the number of Americans working in the Sinai in accordance with the wishes of the Congress. The United States Sinai Support Mission will continue to analyze carefully all aspects of the Sinai operation to identify ways whereby the numbers might be further reduced.

The proposal to establish an American-manned early warning system in the Sinai was made at the request of the Governments of Egypt and Israel. With the concurrence of the Congress, we accepted this undertaking because the United States strongly seeks the achievement of peace and stability in the Middle East.

The United States Sinai Support Mission plays an important role in support of the Basic Agreement. Both sides have recently reaffirmed their confidence in the manner in which the United States has been carrying out its responsibilities in

the Sinai, and as long as it continues to enjoy this support, the United States role will represent a meaningful contribution to the prospects for attaining a just and lasting peace in the Middle East.

GERALD R. FORD

The White House,
January 11, 1977.

NOTE: The report is entitled "Second Report to the Congress, SSM, United States Sinai Support Mission, October 13, 1976."

1057

**Address Before a Joint Session of the Congress Reporting
on the State of the Union. January 12, 1977**

Mr. Speaker, Mr. Vice President, Members of the 95th Congress, and distinguished guests:

In accordance with the Constitution, I come before you once again to report on the state of the Union.

This report will be my last—maybe—[*laughter*]*—*but for the Union it is only the first of such reports in our third century of independence, the close of which none of us will ever see. We can be confident, however, that 100 years from now a freely elected President will come before a freely elected Congress chosen to renew our great Republic's pledge to the Government of the people, by the people, and for the people.

For my part I pray the third century we are beginning will bring to all Americans, our children and their children's children, a greater measure of individual equality, opportunity, and justice, a greater abundance of spiritual and material blessings, and a higher quality of life, liberty, and the pursuit of happiness.

The state of the Union is a measurement of the many elements of which it is composed—a political union of diverse States, an economic union of varying interests, an intellectual union of common convictions, and a moral union of immutable ideals.

Taken in sum, I can report that the state of the Union is good. There is room for improvement, as always, but today we have a more perfect Union than when my stewardship began.

As a people we discovered that our Bicentennial was much more than a celebration of the past; it became a joyous reaffirmation of all that it means to be

Americans, a confirmation before all the world of the vitality and durability of our free institutions. I am proud to have been privileged to preside over the affairs of our Federal Government during these eventful years when we proved, as I said in my first words upon assuming office, that "our Constitution works; our great Republic is a Government of laws and not of men. Here the people rule."

The people have spoken; they have chosen a new President and a new Congress to work their will. I congratulate you—particularly the new Members—as sincerely as I did President-elect Carter. In a few days it will be his duty to outline for you his priorities and legislative recommendations. Tonight I will not infringe on that responsibility, but rather wish him the very best in all that is good for our country.

During the period of my own service in this Capitol and in the White House, I can recall many orderly transitions of governmental responsibility—of problems as well as of position, of burdens as well as of power. The genius of the American system is that we do this so naturally and so normally. There are no soldiers marching in the street except in the Inaugural Parade; no public demonstrations except for some of the dancers at the Inaugural Ball; the opposition party doesn't go underground, but goes on functioning vigorously in the Congress and in the country; and our vigilant press goes right on probing and publishing our faults and our follies, confirming the wisdom of the framers of the first amendment.

Because of the transfer of authority in our form of government affects the state of the Union and of the world, I am happy to report to you that the current transition is proceeding very well. I was determined that it should; I wanted the new President to get off on an easier start than I had.

When I became President on August 9, 1974, our Nation was deeply divided and tormented. In rapid succession the Vice President and the President had resigned in disgrace. We were still struggling with the after-effects of a long, unpopular, and bloody war in Southeast Asia. The economy was unstable and racing toward the worst recession in 40 years. People were losing jobs. The cost of living was soaring. The Congress and the Chief Executive were at loggerheads. The integrity of our constitutional process and other institutions was being questioned. For more than 15 years domestic spending had soared as Federal programs multiplied, and the expense escalated annually. During the same period our national security needs were steadily shortchanged. In the grave situation which prevailed in August 1974, our will to maintain our international leadership was in doubt.

I asked for your prayers and went to work.

In January 1975 I reported to the Congress that the state of the Union was not good. I proposed urgent action to improve the economy and to achieve energy independence in 10 years. I reassured America's allies and sought to reduce the danger of confrontation with potential adversaries. I pledged a new direction for America. 1975 was a year of difficult decisions, but Americans responded with realism, common sense, and self-discipline.

By January 1976 we were headed in a new direction, which I hold to be the right direction for a free society. It was guided by the belief that successful problemsolving requires more than Federal action alone, that it involves a full partnership among all branches and all levels of government and public policies which nurture and promote the creative energies of private enterprises, institutions, and individual citizens.

A year ago I reported that the state of the Union was better—in many ways a lot better—but still not good enough. Common sense told me to stick to the steady course we were on, to continue to restrain the inflationary growth of government, to reduce taxes as well as spending, to return local decisions to local officials, to provide for long-range sufficiency in energy and national security needs. I resisted the immense pressures of an election year to open the floodgates of Federal money and the temptation to promise more than I could deliver. I told it as it was to the American people and demonstrated to the world that in our spirited political competition, as in this chamber, Americans can disagree without being disagreeable.

Now, after 30 months as your President, I can say that while we still have a way to go, I am proud of the long way we have come together.

I am proud of the part I have had in rebuilding confidence in the Presidency, confidence in our free system, and confidence in our future. Once again, Americans believe in themselves, in their leaders, and in the promise that tomorrow holds for their children.

I am proud that today America is at peace. None of our sons are fighting and dying in battle anywhere in the world. And the chance for peace among all nations is improved by our determination to honor our vital commitments in defense of peace and freedom.

I am proud that the United States has strong defenses, strong alliances, and a sound and courageous foreign policy.

Our alliances with major partners, the great industrial democracies of Western Europe, Japan, and Canada, have never been more solid. Consultations on mutual security, defense, and East-West relations have grown closer. Collabora-

tion has branched out into new fields such as energy, economic policy, and relations with the Third World. We have used many avenues for cooperation, including summit meetings held among major allied countries. The friendship of the democracies is deeper, warmer, and more effective than at any time in 30 years.

We are maintaining stability in the strategic nuclear balance and pushing back the specter of nuclear war. A decisive step forward was taken in the Vladivostok Accord which I negotiated with General Secretary Brezhnev—joint recognition that an equal ceiling should be placed on the number of strategic weapons on each side. With resolve and wisdom on the part of both nations, a good agreement is well within reach this year.

The framework for peace in the Middle East has been built. Hopes for future progress in the Middle East were stirred by the historic agreements we reached and the trust and confidence that we formed. Thanks to American leadership, the prospects for peace in the Middle East are brighter than they have been in three decades. The Arab states and Israel continue to look to us to lead them from confrontation and war to a new era of accommodation and peace. We have no alternative but to persevere, and I am sure we will. The opportunities for a final settlement are great, and the price of failure is a return to the bloodshed and hatred that for too long have brought tragedy to all of the peoples of this area and repeatedly edged the world to the brink of war.

Our relationship with the People's Republic of China is proving its importance and its durability. We are finding more and more common ground between our two countries on basic questions of international affairs.

In my two trips to Asia as President, we have reaffirmed America's continuing vital interest in the peace and security of Asia and the Pacific Basin, established a new partnership with Japan, confirmed our dedication to the security of Korea, and reinforced our ties with the free nations of Southeast Asia.

An historic dialog has begun between industrial nations and developing nations. Most proposals on the table are the initiatives of the United States, including those on food, energy, technology, trade, investment, and commodities. We are well launched on this process of shaping positive and reliable economic relations between rich nations and poor nations over the long term.

We have made progress in trade negotiations and avoided protectionism during recession. We strengthened the international monetary system. During the past 2 years the free world's most important economic powers have already brought about important changes that serve both developed and developing

economies. The momentum already achieved must be nurtured and strengthened, for the prosperity of the rich and poor depends upon it.

In Latin America, our relations have taken on a new maturity and a sense of common enterprise.

In Africa the quest for peace, racial justice, and economic progress is at a crucial point. The United States, in close cooperation with the United Kingdom, is actively engaged in this historic process. Will change come about by warfare and chaos and foreign intervention? Or will it come about by negotiated and fair solutions, ensuring majority rule, minority rights, and economic advance? America is committed to the side of peace and justice and to the principle that Africa should shape its own future, free of outside intervention.

American leadership has helped to stimulate new international efforts to stem the proliferation of nuclear weapons and to shape a comprehensive treaty governing the use of oceans.

I am gratified by these accomplishments. They constitute a record of broad success for America and for the peace and prosperity of all mankind. This administration leaves to its successor a world in better condition than we found. We leave, as well, a solid foundation for progress on a range of issues that are vital to the well-being of America.

What has been achieved in the field of foreign affairs and what can be accomplished by the new administration demonstrate the genius of Americans working together for the common good. It is this, our remarkable ability to work together, that has made us a unique nation. It is Congress, the President, and the people striving for a better world.

I know all patriotic Americans want this Nation's foreign policy to succeed. I urge members of my party in this Congress to give the new President loyal support in this area. I express the hope that this new Congress will reexamine its constitutional role in international affairs.

The exclusive right to declare war, the duty to advise and consent on the part of the Senate, the power of the purse on the part of the House are ample authority for the legislative branch and should be jealously guarded. But because we may have been too careless of these powers in the past does not justify congressional intrusion into, or obstruction of, the proper exercise of Presidential responsibilities now or in the future. There can be only one Commander in Chief. In these times crises cannot be managed and wars cannot be waged by committee, nor can peace be pursued solely by parliamentary debate. To the ears of the world, the President speaks for the Nation. While he is, of course, ultimately accountable to the Congress, the courts, and the people, he and his

emissaries must not be handicapped in advance in their relations with foreign governments as has sometimes happened in the past.

At home I am encouraged by the Nation's recovery from the recession and our steady return to sound economic growth. It is now continuing after the recent period of uncertainty, which is part of the price we pay for free elections.

Our most pressing need today and the future is more jobs—productive, permanent jobs created by a thriving economy. We must revise our tax system both to ease the burden of heavy taxation and to encourage the investment necessary for the creation of productive jobs for all Americans who want to work.

Earlier this month I proposed a permanent income tax reduction of \$10 billion below current levels, including raising the personal exemption from \$750 to \$1,000. I also recommended a series of measures to stimulate investment, such as accelerated depreciation for new plants and equipment in areas of high unemployment, a reduction in the corporate tax rate from 48 to 46 percent, and eliminating the present double taxation of dividends. I strongly urge the Congress to pass these measures to help create the productive, permanent jobs in the private economy that are so essential for our future.

All the basic trends are good; we are not on the brink of another recession or economic disaster. If we follow prudent policies that encourage productive investment and discourage destructive inflation, we will come out on top, and I am sure we will.

We have successfully cut inflation by more than half. When I took office, the Consumer Price Index was rising at 12.2 percent a year. During 1976 the rate of inflation was 5 percent.

We have created more jobs—over 4 million more jobs today than in the spring of 1975. Throughout this Nation today we have over 88 million people in useful, productive jobs—more than at any other time in our Nation's history. But there are still too many Americans unemployed. This is the greatest regret that I have as I leave office.

We brought about with the Congress, after much delay, the renewal of the general revenue sharing. We expanded community development and Federal manpower programs. We began a significant urban mass transit program. Federal programs today provide more funds for our States and local governments than ever before—\$70 billion for the current fiscal year. Through these programs and others that provide aid directly to individuals, we have kept faith with our tradition of compassionate help for those who need it. As we begin our third century we can be proud of the progress that we have made in meeting human needs for all of our citizens.

We have cut the growth of crime by nearly 90 percent. Two years ago crime was increasing at the rate of 18 percent annually. In the first three quarters of 1976, that growth rate had been cut to 2 percent. But crime, and the fear of crime, remains one of the most serious problems facing our citizens.

We have had some successes, and there have been some disappointments. Bluntly, I must remind you that we have not made satisfactory progress toward achieving energy independence. Energy is absolutely vital to the defense of our country, to the strength of our economy, and to the quality of our lives.

Two years ago I proposed to the Congress the first comprehensive national energy program—a specific and coordinated set of measures that would end our vulnerability to embargo, blockade, or arbitrary price increases and would mobilize U.S. technology and resources to supply a significant share of the free world's energy after 1985. Of the major energy proposals I submitted 2 years ago, only half, belatedly, became law. In 1973 we were dependent upon foreign oil imports for 36 percent of our needs. Today, we are 40-percent dependent, and we'll pay out \$34 billion for foreign oil this year. Such vulnerability at present or in the future is intolerable and must be ended.

The answer to where we stand on our national energy effort today reminds me of the old argument about whether the tank is half full or half empty. The pessimist will say we have half failed to achieve our 10-year energy goals; the optimist will say that we have half succeeded. I am always an optimist, but we must make up for lost time.

We have laid a solid foundation for completing the enormous task which confronts us. I have signed into law five major energy bills which contain significant measures for conservation, resource development, stockpiling, and standby authorities. We have moved forward to develop the naval petroleum reserves; to build a 500-million barrel strategic petroleum stockpile; to phase out unnecessary Government allocation and price controls; to develop a lasting relationship with other oil consuming nations; to improve the efficiency of energy use through conservation in automobiles, buildings, and industry; and to expand research on new technology and renewable resources such as wind power, geothermal and solar energy. All these actions, significant as they are for the long term, are only the beginning.

I recently submitted to the Congress my proposals to reorganize the Federal energy structure and the hard choices which remain if we are serious about reducing our dependence upon foreign energy. These include programs to reverse our declining production of natural gas and increase incentives for domestic crude oil production. I proposed to minimize environmental uncertainties

affecting coal development, expand nuclear power generation, and create an energy independence authority to provide government financial assistance for vital energy programs where private capital is not available.

We must explore every reasonable prospect for meeting our energy needs when our current domestic reserves of oil and natural gas begin to dwindle in the next decade. I urgently ask Congress and the new administration to move quickly on these issues. This Nation has the resources and the capability to achieve our energy goals if its Government has the will to proceed, and I think we do.

I have been disappointed by inability to complete many of the meaningful organizational reforms which I contemplated for the Federal Government, although a start has been made. For example, the Federal judicial system has long served as a model for other courts. But today it is threatened by a shortage of qualified Federal judges and an explosion of litigation claiming Federal jurisdiction. I commend to the new administration and the Congress the recent report and recommendations of the Department of Justice, undertaken at my request, on "the needs of the Federal Courts." I especially endorse its proposals for a new commission on the judicial appointment process.

While the judicial branch of our Government may require reinforcement, the budgets and payrolls of the other branches remain staggering. I cannot help but observe that while the White House staff and the Executive Office of the President have been reduced and the total number of civilians in the executive branch contained during the 1970's, the legislative branch has increased substantially although the membership of the Congress remains at 535. Congress now costs the taxpayers more than a million dollars per Member; the whole legislative budget has passed the billion dollar mark.

I set out to reduce the growth in the size and spending of the Federal Government, but no President can accomplish this alone. The Congress sidetracked most of my requests for authority to consolidate overlapping programs and agencies, to return more decisionmaking and responsibility to State and local governments through block grants instead of rigid categorical programs, and to eliminate unnecessary redtape and outrageously complex regulations.

We have made some progress in cutting back the expansion of government and its intrusion into individual lives, but believe me, there is much more to be done—and you and I know it. It can only be done by tough and temporarily painful surgery by a Congress as prepared as the President to face up to this very real political problem. Again, I wish my successor, working with a sub-

stantial majority of his own party, the best of success in reforming the costly and cumbersome machinery of the Federal Government.

The task of self-government is never finished. The problems are great; the opportunities are greater.

America's first goal is and always will be peace with honor. America must remain first in keeping peace in the world. We can remain first in peace only if we are never second in defense.

In presenting the state of the Union to the Congress and to the American people, I have a special obligation as Commander in Chief to report on our national defense. Our survival as a free and independent people requires, above all, strong military forces that are well equipped and highly trained to perform their assigned mission.

I am particularly gratified to report that over the past 2½ years, we have been able to reverse the dangerous decline of the previous decade in real resources this country was devoting to national defense. This was an immediate problem I faced in 1974. The evidence was unmistakable that the Soviet Union had been steadily increasing the resources it applied to building its military strength. During this same period the United States real defense spending declined. In my three budgets we not only arrested that dangerous decline, but we have established the positive trend which is essential to our ability to contribute to peace and stability in the world.

The Vietnam war, both materially and psychologically, affected our overall defense posture. The dangerous antimilitary sentiment discouraged defense spending and unfairly disparaged the men and women who serve in our Armed Forces.

The challenge that now confronts this country is whether we have the national will and determination to continue this essential defense effort over the long term, as it must be continued. We can no longer afford to oscillate from year to year in so vital a matter; indeed, we have a duty to look beyond the immediate question of budgets and to examine the nature of the problem we will face over the next generation.

I am the first recent President able to address long-term, basic issues without the burden of Vietnam. The war in Indochina consumed enormous resources at the very time that the overwhelming strategic superiority we once enjoyed was disappearing. In past years, as a result of decisions by the United States, our strategic forces leveled off, yet the Soviet Union continued a steady, constant buildup of its own forces, committing a high percentage of its national economic effort to defense.

The United States can never tolerate a shift in strategic balance against us or even a situation where the American people or our allies believe the balance is shifting against us. The United States would risk the most serious political consequences if the world came to believe that our adversaries have a decisive margin of superiority.

To maintain a strategic balance we must look ahead to the 1980's and beyond. The sophistication of modern weapons requires that we make decisions now if we are to ensure our security 10 years from now. Therefore, I have consistently advocated and strongly urged that we pursue three critical strategic programs: the Trident missile launching submarine; the B-1 bomber, with its superior capability to penetrate modern air defenses; and a more advanced intercontinental ballistic missile that will be better able to survive nuclear attack and deliver a devastating retaliatory strike.

In an era where the strategic nuclear forces are in rough equilibrium, the risks of conflict below the nuclear threshold may grow more perilous. A major, long-term objective, therefore, is to maintain capabilities to deal with, and thereby deter, conventional challenges and crises, particularly in Europe.

We cannot rely solely on strategic forces to guarantee our security or to deter all types of aggression. We must have superior naval and marine forces to maintain freedom of the seas, strong multipurpose tactical air forces, and mobile, modern ground forces. Accordingly, I have directed a long-term effort to improve our worldwide capabilities to deal with regional crises.

I have submitted a 5-year naval building program indispensable to the Nation's maritime strategy. Because the security of Europe and the integrity of NATO remain the cornerstone of American defense policy, I have initiated a special, long-term program to ensure the capacity of the Alliance to deter or defeat aggression in Europe.

As I leave office I can report that our national defense is effectively deterring conflict today. Our Armed Forces are capable of carrying out the variety of missions assigned to them. Programs are underway which will assure we can deter war in the years ahead. But I also must warn that it will require a sustained effort over a period of years to maintain these capabilities. We must have the wisdom, the stamina, and the courage to prepare today for the perils of tomorrow, and I believe we will.

As I look to the future—and I assure you I intend to go on doing that for a good many years—I can say with confidence that the state of the Union is good, but we must go on making it better and better.

This gathering symbolizes the constitutional foundation which makes continued progress possible, synchronizing the skills of three independent branches of Government, reserving fundamental sovereignty to the people of this great land. It is only as the temporary representatives and servants of the people that we meet here, we bring no hereditary status or gift of infallibility, and none follows us from this place.

Like President Washington, like the more fortunate of his successors, I look forward to the status of private citizen with gladness and gratitude. To me, being a citizen of the United States of America is the greatest honor and privilege in this world.

From the opportunities which fate and my fellow citizens have given me, as a Member of the House, as Vice President and President of the Senate, and as President of all the people, I have come to understand and place the highest value on the checks and balances which our founders imposed on government through the separation of powers among co-equal legislative, executive, and judicial branches. This often results in difficulty and delay, as I well know, but it also places supreme authority under God, beyond any one person, any one branch, any majority great or small, or any one party. The Constitution is the bedrock of all our freedoms. Guard and cherish it, keep honor and order in your own house, and the Republic will endure.

It is not easy to end these remarks. In this Chamber, along with some of you, I have experienced many, many of the highlights of my life. It was here that I stood 28 years ago with my freshman colleagues, as Speaker Sam Rayburn administered the oath. I see some of you now—Charlie Bennett, Dick Bolling, Carl Perkins, Pete Rodino, Harley Staggers, Tom Steed, Sid Yates, Clem Zablocki—and I remember those who have gone to their rest. It was here we waged many, many a lively battle—won some, lost some, but always remaining friends. It was here, surrounded by such friends, that the distinguished Chief Justice swore me in as Vice President on December 6, 1973. It was here I returned 8 months later as your President to ask not for a honeymoon, but for a good marriage.

I will always treasure those memories and your many, many kindnesses. I thank you for them all.

My fellow Americans, I once asked you for your prayers, and now I give you mine: May God guide this wonderful country, its people, and those they have chosen to lead them. May our third century be illuminated by liberty and blessed with brotherhood, so that we and all who come after us may be the humble servants of thy peace. Amen.

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Good night. God bless you.

NOTE: The President spoke at 9:10 p.m. in the House Chamber at the Capitol, after being introduced by Thomas P. O'Neill, Jr., Speaker of the House of

Representatives. The address was broadcast live on radio and television.

1058

Message to the Congress Transmitting Reports on the Military Incentive Awards Program for 1975. January 13, 1977

To the Congress of the United States:

Forwarded herewith in accordance with the provisions of 10 U.S.C. 1124 are reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1975 to members of the Armed Forces for suggestions, inventions and scientific achievements.

Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than 1.76 million suggestion submissions since that time attest to the success which the program has had as a means of motivating military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 275,000 have been adopted with resultant tangible first-year benefits in excess of \$873,000,000.

Of the 125,777 suggestions which were submitted by military personnel (including Coast Guard military personnel) during Fiscal Year 1975, 20,760 were adopted. Cash awards totaling \$1,442,536 were paid for these adopted suggestions, based not only on the tangible first-year benefits of \$74,347,607.94 which were realized therefrom, but also on many additional benefits and improvements of an intangible nature. Enlisted personnel received \$1,175,908.50 in awards, which represents 81 percent of the total cash awards paid. The remaining 19 percent was received by officer personnel and amounted to \$266,627.50.

Attached are reports of the Secretary of the Defense and the Secretary of Transportation containing statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions made by military personnel during Fiscal Year 1975.

GERALD R. FORD

The White House,
January 13, 1977.

1059

Message to the Congress Transmitting Reports on the Military Incentive Awards Program for 1976. January 13, 1977*To the Congress of the United States:*

Forwarded herewith in accordance with the provisions of 10 U.S.C. 1124 are reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1976 to members of the Armed Forces for suggestions, inventions and scientific achievements.

Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than 1.89 million suggestion submissions since that time attest to the success which the program has had as a means of motivating military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 296,000 have been adopted with resultant tangible first-year benefits in excess of \$929,000,000.

Of the 119,256 suggestions which were submitted by military personnel (including Coast Guard military personnel) during Fiscal Year 1976, 19,375 were adopted. Cash awards totaling \$1,343,224 were paid for these adopted suggestions, based not only on the tangible first-year benefits of \$52,983,753 which were realized therefrom, but also on many additional benefits and improvements of an intangible nature. Enlisted personnel received \$1,104,328 in awards, which represents 82 percent of the total cash awards paid. The remaining 18 percent was received by officer personnel and amounted to \$238,896.

Attached are reports of the Secretary of Defense and the Secretary of Transportation containing statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions made by military personnel during Fiscal Year 1976.

GERALD R. FORD

The White House,
January 13, 1977.

1060

Special Message to the Congress Proposing Airline Industry Regulatory Reform Legislation. January 13, 1977*To the Congress of the United States:*

In October of 1975, I sent to the Congress a bill, the Aviation Act of 1975,

that would have fundamentally reformed the manner in which the Civil Aeronautics Board regulates the airline industry. The bill was designed to make that industry more competitive and responsive to the needs of the American consumer. At the same time, the bill would have permitted efficient, well-managed companies to earn a fair return on investment and to attract the large amounts of capital needed for long-term growth, thus helping to make the industry healthier.

Many events have taken place since late 1975. Although my proposed aviation regulatory reform bill was not enacted, major and thorough hearings were held in both houses of the Congress on the many proposals to reform the economic regulation of the airlines. These hearings attracted wide public participation and discussion. They built an impressive record of detailed economic study and practical airline industry experience.

We have carefully reviewed testimony presented in these hearings and debates. The record is clear: The present regulatory system is costly to the consumer and is also sapping the financial health of the industry. Reform of airline economic regulation is needed, as soon as possible, and it must be thorough and substantial—even beyond my original proposal. Accordingly, I am submitting today the Aviation Act of 1977.

This new proposal is based on the same concepts as the 1975 bill and, like it, would reform aviation regulation in three key areas: Pricing, entry and exit, and antitrust exemptions. In each of these areas the Aviation Act of 1977 provides meaningful reform of the current, archaic regulatory system to allow this naturally competitive industry to reach its full potential. This proposed legislation is an improvement over the Aviation Act of 1975 since it builds upon the experience and information developed during the Congressional hearings and incorporates constructive concepts contained in other aviation reform proposals considered last year. The result is a simpler bill which provides a more appropriate approach to pricing and entry reform than was originally proposed. Furthermore, the bill contains other improvements, including a provision which would assure the continuation of essential air service to small communities.

The case for reform has been made. It is now time to act. My firm hope is that the Aviation Act of 1977 will receive prompt consideration and action by the Congress.

GERALD R. FORD

The White House,
January 13, 1977.

1061

Remarks Upon Presenting the Presidential Medal of Freedom to Henry A. Kissinger. January 13, 1977

Mr. Ambassador, Mr. Vice President, Secretary Kissinger, Mr. Secretary-General, ladies and gentlemen:

Both Mrs. Ford and myself are deeply grateful for the invitation to participate in this farewell reception in honor of my very close and personal friend, the Secretary of State, Henry Kissinger.

During the tenure of the Secretary of State, we have had many tasks, many challenges, many problems involving the building of a better world. While I will not suggest what might have been, it is my judgment that Henry's legacy provides rich testimony to his wisdom, to his brilliance in working toward solutions to some of the most difficult problems in our postwar history.

The United States, the world is greatly indebted to this superior person. I believe I speak for all of us when I say that Secretary Kissinger, whom we are honoring tonight, we have been impressed by our association with him on a personal basis, impressed by his intellect and his insight, and thankful for his mighty efforts for the cause of peace for mankind on a worldwide basis. He is, so far as this American is concerned, the greatest Secretary of State in the history of our Republic. His superb record of achievement is unsurpassed in the annals of American history.

But let me mention just a few examples: the agreement that brought our men home from Vietnam; the historic beginning of our relationship with the People's Republic of China; the foundation and the first building blocks of the strategic arms limitation talks; the turning point in the modern history of the Middle East, and the first steps toward peace; the breakthrough toward peaceful settlement in southern Africa; the closest friendship among the North Atlantic allies in a generation; the linking of Japan, our permanent friend, into the community of the industrial democracies; the new dialog with Latin America; the Seventh Special Session of the U.N. General Assembly, a milestone in world economic history.

In every case Secretary Kissinger has worked mightily for peace, and in every case the cause of peace has been advanced by his efforts. He led the way in awakening the industrialized nations, the industrialized world, to the changes that must be made if the poor of the world are to know hope and prosperity. He has been the architect of a new and productive relationship with our adversaries.

His is a record of unprecedented scope and enormous accomplishment. It is a record in which all Americans take pride and it is a record worthy of special recognition.

It is my particular pleasure to be able to give special recognition to this great American this evening before this distinguished and most appropriate audience.

Mr. Secretary, it is my honor and tremendous privilege to award you on behalf of this grateful Nation the Presidential Medal of Freedom, the highest civilian award it is within the power of a President to grant.

Mr. Secretary, I make this award not only in recognition of the monumental contributions that you have made to the security, peace, and freedom of the United States, but in recognition as well of the fact that during the dark days in our Nation's recent past you showed the world what we were capable of accomplishing and gave your countrymen a reason to be very proud of our Nation.

I make this award, Mr. Secretary, in the presence of the diplomatic corps because in the broadest sense what you did for America you did for all mankind.

Now I would like Mr. O'Donnell to read the citation, please.

[*At this point, Terrence O'Donnell, Aide to the President, read the citation as follows:*]

"Henry A. Kissinger, scholar, statesman and public servant. By his extraordinary achievements he has earned a place in the first rank of American patriots. A principal architect of America's diplomacy under two Presidents, he guided the Nation in meeting the responsibilities of world leadership. A brilliant negotiator, he wielded America's great power with wisdom and compassion in the service of peace. He is honored by a grateful President and Nation in the expectation that the past is but prologue."

"Signed, Gerald R. Ford, The White House, Washington, D.C."

NOTE: The President spoke at 7:25 p.m. at the Pan American Union, where the diplomatic corps was holding a reception in Secretary Kissinger's honor.

In his opening remarks, the President referred to Ambassador Guillermo Sevilla-Sacasa, dean of the

diplomatic corps, Vice President Nelson A. Rockefeller, and Alejandro Orfila, Secretary-General of the Organization of American States.

Secretary Kissinger's response to the President's remarks is printed in the Weekly Compilation of Presidential Documents (vol. 13, p. 41).

1062

Statement on the Report of the Domestic Council Review Group on Regulatory Reform. *January 14, 1977*

GOVERNMENT cannot expect the trust and confidence of its people unless it enacts and enforces laws that are effective, efficient, and fair. When I took office

in 1974, I found many of our regulatory laws outdated and unintelligible. Government agencies charged with their administration had become less effective than Congress or the people had originally intended. At the Economic Summit Conference, business and labor leaders, academics, consumers, and government officials agreed that inefficient Federal regulation was contributing to the country's economic ills.

We have not solved all of these problems, but we have made an effective beginning. Important administrative and legislative reform has been achieved during my administration, but more must be done to build upon these accomplishments.

I have received and reviewed a report from the Domestic Council Review Group on Regulatory Reform outlining the scope and complexities of the regulatory problem. It emphasizes the need for continued work on this important domestic issue.

The report highlights what I believe are the two basic challenges facing reform efforts in the future.

First, regulation differs from other devices used by government to achieve our national goals because the costs are hidden from public view. Often, government decisionmakers do not know what the effect of new regulations will be in terms of costs or benefits. As a consequence, agencies are rarely forced to make trade-offs between competing demands, an essential management discipline central to the annual budget process.

Second, the general public is unaware of its stake in better regulation and, therefore, unable to form an effective constituency for change. Members of the public know very little about the complex economic effects of Federal regulations and are therefore at a distinct disadvantage when trying to counter the organized efforts of special interest groups seeking to preserve the status quo or to enact new laws serving their special interests. Sometimes these special interests are counter to the interests of the public at large.

Although I may not agree with all of the observations made in this report, I believe it presents a candid appraisal of what we have learned and what remains to be done. We must make the regulatory debate a more intelligent discussion of issues and alternatives. I am confident that this report will be a valuable contribution to future reform efforts.

I want to thank the Members of Congress and those individuals in the executive branch and the public who have worked with me on this important initiative. They have made a significant contribution to restoring the trust of our

people in the institutions of their government, and I urge them to continue their good work.

NOTE: The report is entitled "The Challenge of Regulatory Reform: A Report to the President from the Domestic Council Review Group on Regulatory Reform—January 1977" (Government Printing Office, 72 pp.).

1063

Message to the Congress Transmitting Protocols to the Convention on International Carriage by Air.

January 14, 1977

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification two related Protocols done at Montreal on September 25, 1975 entitled:

a) Additional Protocol No. 3 to Amend the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw on October 12, 1929, as Amended by the Protocols done at The Hague, on September 28, 1955, and at Guatemala City, March 8, 1971 (hereinafter, Montreal Protocol No. 3); and

b) Montreal Protocol No. 4 to Amend the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw on October 12, 1929, as Amended by the Protocol done at The Hague on September 8, 1955 (hereinafter, Montreal Protocol No. 4).

The report of the Department of State with respect to the protocols is enclosed for the information of the Senate in connection with its consideration of them. The two protocols provide a set of modernized rules applicable to international air carriage of passengers, baggage, and cargo to replace currently applicable provisions of the 1929 Warsaw Convention, to which the United States has been party since 1934.

The United States has been one of the leaders in the efforts which have resulted in the adoption of Montreal Protocols No. 3 and No. 4. For nearly two decades the United States, while recognizing the value of a unified legal regime which would assure stability in international air transportation, has sought to ensure that the regime would be responsive to the needs of today's international air travelers and shippers. To this end this government has been in the forefront in urging amendments to the Warsaw Convention to provide for no-fault liability of air carriers, increased limits of liability, and rapid settlement of

claims at a fair level. Ratification of Montreal Protocols No. 3 and No. 4 by the United States will significantly advance these efforts to increase the economic protection of users of the international air transport system. Ratification by the United States will be an invitation to those States which have hesitated, while awaiting United States action, to approve the Protocols.

Montreal Protocols No. 3 and No. 4 are part of what would be a comprehensive package of benefits available to United States citizens traveling to and from the United States by air and to international shippers by air. This package would include a proposed domestic plan to supplement recoveries under the new protocols in cases of passenger injury or death, which is now being considered by the Civil Aeronautics Board.

The development of a comprehensive system of compensation for injured parties in aviation accidents, and modernized rules relating to baggage, ticketing procedures, and cargo documentation and damage provisions are achievements that, upon the entry into force of Montreal Protocols No. 3 and No. 4, will bring the legal regime which has developed under the 1929 Warsaw Convention into today's world. For these reasons, I recommend that the Senate give prompt consideration to these protocols and give its advice and consent to ratification at an early date.

GERALD R. FORD

The White House,
January 14, 1977.

1064

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation To Provide Temporary Secret Service Protection for Certain Former Federal Officials and Their Families. *January 14, 1977* •

I AM transmitting for consideration by the Congress an urgent Joint Resolution which would authorize the Secret Service to furnish protection to a person who as a Federal Government official or as a member of such official's immediate family had been receiving protection for a period immediately preceding January 20, 1977, if the President determined that such person may thereafter be in significant danger. This protection could not continue beyond July 20, 1977, unless otherwise permitted by law.

The lives of the Vice President, the Secretary of State, and other Federal officials have been threatened because of their service to the United States and the American people. The number of threats against prominent Federal officials normally declines after they leave office. The emergence in recent years of numerous and mobile foreign terrorist groups has created an added degree of risk, especially for the Vice President and the Secretary of State; they are natural targets for individuals and groups prone to violence. Threats against Secretary Kissinger's life are current and continuing.

We cannot in good conscience subject any departing Vice President, Secretary of State, or any other Federal official to possible harm because of his or her service to the United States. Because this danger results directly from the high visibility of their positions, I believe that the Federal Government has an obligation to provide them and their immediate families, if necessary, with protection as long as there is significant danger to their lives.

Existing statutory authority is not adequate for this purpose. Consequently, unless the Congress acts immediately, protective services necessary to ensure the continued safety of the Vice President, the Secretary of State, and other Federal officials cannot be provided after they leave office on January 20.

The emergency resolution that I am proposing is a temporary measure. It would allow the next President to extend protection, if the situation warrants, to one or more of the persons having protection now who would otherwise abruptly lose that protection next Thursday. The persons now having protection, in addition to me and my immediate family (of whom Betty and I, but not our children, will have continued protection under existing law) are the Vice President and the Secretaries of State and Treasury and their immediate families, but it is likely that only a few of those persons will require extended protection after next Thursday and for merely limited periods as the next President may determine. In any event no such protection could go beyond July 20, 1977 unless the Congress should act later to permit protection over a longer period in particular instances.

The adoption of this proposed resolution is endorsed by the Secret Service, and I request that the Congress act swiftly on this proposal.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Thomas P. O'Neill, Jr., Speaker of

the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

1065

Letter to the Speaker of the House and the President of the Senate Submitting Proposed Puerto Rico Statehood Legislation. *January 14, 1977*

I SUBMIT herewith to the Congress the Puerto Rico Statehood Act of 1977.

The purpose of the Act is to extend to the people of Puerto Rico the opportunity to achieve the status of statehood if they should so desire.

Since 1900, Presidents and Congresses have debated the question of statehood for Puerto Rico.

Some progress has been made in providing the people of Puerto Rico with greater autonomy and a greater measure of self-government. But these great people are still not represented with a vote in either the House or Senate. They are still not represented in the election of a President.

Full equality for the people of Puerto Rico cannot come without full representation.

The social and economic progress to which they aspire cannot come without the political equality of statehood.

Any change in the status of the Commonwealth must be accomplished by the mutual consent of the people of Puerto Rico and the United States.

As Congress considers the appropriate course of action relating to the permanent status of Puerto Rico, it is essential that the dignity and self-respect of the great people of Puerto Rico be a matter of the highest consideration.

Accordingly, the legislation I propose would establish, within the framework of the United States Constitution and the Constitution of the Commonwealth of Puerto Rico, a sequence of steps reflecting the historic procedures by which present states entered the Union, while recognizing the special circumstances of the Commonwealth of Puerto Rico and the aspirations of the citizens of the Commonwealth.

First, in recognition of the fact that statehood for Puerto Rico would require the resolution of many complex issues, Congress would establish a joint U.S.-Puerto Rico Commission to enable the people of Puerto Rico to participate effectively in determining the terms and conditions for Puerto Rico's proposed admission to statehood. By providing a forum for the reaching of a broad understanding of the issues and implications involved in admission to the Union, this Act would ensure that the advantages and disadvantages and the rights and

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responsibilities of statehood are fully presented to the people of Puerto Rico—before deciding whether their Commonwealth should become a state.

Second, Congress, after receiving the Commission Report, would set the terms and conditions of statehood.

Third, the Act provides for an island-wide referendum among the people of Puerto Rico on whether the Commonwealth should become a state.

Fourth, the Act proposes that if the referendum passes, delegates to a Constitutional Convention will meet to frame a Constitution for the proposed state.

Fifth, the new constitution would be presented to the people of Puerto Rico for ratification.

Sixth, the proposed State constitution, if ratified, would be submitted to the President of the United States and to Congress for approval.

Seventh, upon approval of the proposed Constitution, the voters of Puerto Rico would elect two Senators and five Members of the House of Representatives.

Eighth, the Governor of Puerto Rico would certify the results of the election to the President, and the President would proclaim Puerto Rico a state.

After more than three-quarters of a Century of discussion about Puerto Rico, it is time to act and act positively. By passage of this Act the representatives of the people of the 50 States will say to the people of Puerto Rico: Join us as equals.

I urge the Congress to act.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and the Honorable

Nelson A. Rockefeller, President of the Senate.

A copy of the draft bill was included as a part of the release.

1066

Annual Budget Message to the Congress, Fiscal Year 1978.
January 17, 1977

To the Congress of the United States:

The budget is the President's blueprint for the operation of the Government in the year ahead. It records his views on priorities and directions for the future—balancing the American desire to solve every perceived problem at once with the practical reality of limited resources and competing needs.

The thirty budgets I have either shaped or helped to shape are a chronicle of our lives and times. They tell us what we have aspired to be and what we

have been in fact. They tell us about the growing complexity of our society, about the changing and growing role of our Government, and about new problems we have identified and our attempts to solve them.

In shaping my budgets as President, I have sought to renew the basic questions about the composition and direction of the Government and its programs. In my reviews of existing and proposed programs and activities I have asked:

- Is this activity important to our national security or sense of social equity?
- Is this activity sufficiently important to require that we tax our people or borrow funds to pay for it?
- Must the Federal Government raise the taxes or borrow the funds or should State or local government do so?
- Should the Federal Government direct and manage the activity or should it limit its role to the provision of financing?
- How has the program performed in the past? Have the benefits outweighed the costs in dollars or other burdens imposed?
- Have the benefits gone to the intended beneficiary?
- Does this activity conflict with or overlap another?

As a result of these reviews I have proposed to reverse some trends and to accelerate others.

I have proposed, and repropose this year, a marked slowdown in the rate of growth in Government spending. Over the last three decades, Federal, State, and local government spending has grown from 18% of GNP to 34% of GNP. Federal spending growth has averaged 10% per year over the last decade. And even these percentages do not tell the whole story. As the budget documents illustrate, there has been a trend over the last few years toward so-called “off-budget” spending. This is an undesirable practice because it obscures the real impact of the Federal Government and makes it more difficult for any but the most technically knowledgeable citizens to understand what their Government is doing. Therefore, I am calling for legislation to halt this practice so that our budget system will fully reflect the financial activities of the Government.

In a related attempt to gain greater control over the rate of growth of Government spending I have given special attention this year to spending plans for fiscal year 1979, the year after the budget year. For the first time, the Federal budget shows detailed planning amounts for the year beyond the budget year. This innovation grows out of my conviction that our only real hope of curbing the growth of Federal spending is to plan further in advance and to discipline ourselves to stick to those plans.

From the standpoint of deficits of most recent years the 1978 budget I present

shows us fairly close to balance in 1979 and shows balanced budgets thereafter. The effects on 1978 and 1979 spending of congressional action in the last session rejecting many of the restraints I proposed for the current fiscal year, 1977, made total balance in 1979 impossible unless I was willing to abandon, at least in part, the further immediate tax relief I have advocated since October of 1975 and, for no reason other than being able to show such a 1979 balance, cut back from program levels I feel are justified. These alternatives were unacceptable, but given the greatly reduced deficit for 1979 this budget implies, congressional cooperation on the restraints I propose and a slightly better economic performance in the months ahead than we have used in preparing this 1978 budget, it is entirely possible that when the 1979 budget is due to be submitted, a year from now, it could be in total balance as I have strived to achieve.

With restraint on the growth of Federal spending, we can begin to provide permanent tax reductions to ease the burden on middle-income taxpayers and businesses. For too long Government has presumed that it is "entitled" to the additional tax revenues generated as inflation and increases in real income push taxpayers into higher tax brackets. We need to reverse this presumption. We need to put the burden of proof on the Government to demonstrate the reasons why individuals and businesses should not keep the income and wealth they produce. Accordingly, my long-term budget projections assume further tax relief will be provided, rather than presuming, as has been the practice in the past, that positive margins of receipts over expenditures that show up in projections are "surpluses" or "fiscal dividends" that must be used primarily for more Federal spending, on existing or new programs or both.

One trend has been reversed in the past two years. After several years of decline in real spending for national security purposes the Congress has agreed in substantial part to my recommendations for increases in defense spending. The budget I propose this year and the planning levels for the succeeding four years assume a continuation of this real growth trend. My recommendations are the result of a careful assessment of our own defense posture and that of our potential adversaries. In this area as in all others, I am recommending spending I consider essential while at the same time proposing savings in outmoded or unwarranted activities. For the longer term, my recommendations recognize the simple fact that we must plan now for the defense systems we will need 10 years from now.

This same approach was reflected last year in my recommendations for the Federal Government's basic research and development programs. In spite of the financial pressures on the Federal budget, I recommended real growth. I

am again proposing real growth for basic research and development programs this year because I am convinced that we must maintain our world leadership in science and technology in order to increase our national productivity and attain the better life we want for our people and the rest of the world.

I am also calling again for an end to the proliferation of new Federal programs and for consolidation of many of the programs we now have. At last count there are 1,044 programs identified in the Catalog of Federal Domestic Assistance. While our Nation has many needs, there is no rational justification for the maze that has been created.

Overlap and duplication are not the only defects of these programs; nor are they the most serious. More importantly, the current programs too often fail to aid the intended beneficiaries as much as expected, rewarding instead those who have learned how to work the Washington system. Some of these programs fail to pinpoint responsibility and accountability for performance and too many impose a managerial and operating burden on the Federal Government, diverting attention from the functions that must be performed at the Federal level and at the same time usurping the proper roles of State and local governments and the private sector.

If we could ever afford the "luxury" of this inefficiency and ineptitude, we can no longer. Federal programs for health services, elementary and secondary education, child nutrition and welfare, for example, are areas that desperately need reform. I called for action last year and prepared detailed legislative proposals. Those who truly care about the needs of our people will not let another year go by without reform. There is no excuse, for example, for the Federal Government to have 15 different child nutrition programs spending over \$3 billion per year and still have 700,000 children from families below the poverty line who receive no aid. Nor is there any reason to take the money out of the taxpayers' pockets to subsidize their own children's school lunch.

It will take real courage to correct these problems and the others I have identified for congressional action without following the all too familiar pattern of the past—simply adding more programs. But, increasingly, courage is not a choice; it is an absolute requirement if we are to avoid ever larger, less responsive government.

The task ahead will not be easy because it will require some fundamental changes in our expectations for Government. As a start, we need to understand that income and wealth are not produced in Washington, they are only redistributed there. As a corollary, we need to overcome the idea that Members of the

Congress are elected to bring home Federal projects for their district or State. Until this idea is totally rejected, higher funding levels for old programs and more new programs will be enacted each year as Members of the Congress seek to insure their reelection. We also need to overcome the prevalent attitude that only new programs with multibillion-dollar price tags are worthy of media attention and public discussion and worthy of being judged bold and innovative. The multitude of programs already in a budget of more than \$400 billion and initiatives to do something about them are worthy of intense public scrutiny, discussion and judgment in their own right.

These changes in attitude will require leadership not only by the executive branch, but, at least equally important, on the part of each Member of the Congress. Members of the Congress must begin to share the burden of the President in saying no to special interest groups—even those in their own districts or States.

The changes that have occurred in the congressional budgetmaking process in recent years provide some basis for optimism for the future. The new budget committees have begun to provide a counterbalance to the spending and taxing committees, offering hope that the total effect of the splintered actions of the other committees will be given equal weight in the congressional process.

But more progress is needed. Just as the budget process cannot do the whole job in the executive branch, it cannot in the Congress either. No matter how streamlined and properly organized the departments and agencies of the executive branch or the committees and subcommittees of the Congress become—and there is surely room for substantial improvement in this respect at both ends of Pennsylvania Avenue—the executive branch must continue to refine and the Congress must adopt processes whereby recommendations to the President or to the House or Senate, as the case may be, on major issues are developed by task force groups representing the competing priorities of various departments and agencies and of the various congressional committees and subcommittees. The reason is simply that most major issues cut across jurisdictional lines, no matter how well drawn—energy, international affairs, and welfare reform, to name but a few examples. I urge the new administration to build on what has been accomplished in this regard in the executive branch. I urge the Congress promptly to put into place the necessary counterpart mechanisms. Such improvements in process, coupled with further progress in the development of the budget process, will help substantially in addressing and meeting our problems and attaining the goals we have set for our Nation.

The last thirty budgets record a turbulent period in our history; wars, domestic strife and serious economic problems. In the last two years, we have laid the foundation for a positive future. We have stabilized international relationships and created the framework for global progress. At home, we have restored confidence in government while reversing the trends of inflation and unemployment. Building on this solid base, the policies and programs contained in this budget can help us to fulfill the promise of America.

GERALD R. FORD

January 17, 1977.

1067

Message to the Congress Transmitting the United States-Bulgaria International Fishery Agreement.

January 17, 1977

[Dated January 14, 1977. Released January 17, 1977]

To the Congress of the United States:

In accordance with The Fishery Conservation and Management Act of 1976 (P.L. 94-265; 16 USC 1801), I transmit herewith a governing international fishery agreement between the United States and the People's Republic of Bulgaria, signed at Washington on December 17, 1976.

This Agreement is significant because it is one of a series to be negotiated in accordance with that legislation. I urge that the Congress give favorable consideration to this Agreement at an early date. Since 60 calendar days of continuous session as required by the legislation are not available before March 1, 1977, I strongly recommend that the Congress consider issuance of a joint resolution in order to bring this Agreement into force by that date.

GERALD R. FORD

The White House,
January 14, 1977.

NOTE: The agreement is printed in Treaties and Other International Acts Series (TIAS 9045).

1068

**Message to the Congress Urging Approval of
Recommendations for Executive, Legislative, and
Judicial Salary Increases and Code of Conduct
Reforms. *January 17, 1977***

To the Congress of the United States:

As a part of my fiscal year 1978 Budget, I am recommending a substantial increase in the level of compensation for members of the Federal Judiciary and the Congress as well as senior officials in the Executive Branch. I have been guided in this decision by the unanimous recommendation of the Commission on Executive, Legislative, and Judicial Salaries.

At the same time, I am also strongly endorsing the recommendation of the Commission that new and strengthened codes of conduct be adopted by each branch. Like the Commission, I would not recommend the salary increases if there is not a firm commitment to a new code of conduct.

I have personally discussed this matter with President-Elect Carter and he authorized me to say that he fully supports my recommendations concerning salary levels and the need for stronger codes of conduct for all three branches as recommended by the Commission. Thus, the Executive Branch has made the commitment to the improved code of conduct. I have also spoken to the Chief Justice of the United States and he too supports the recommendations of the Commission and is committed to the code of conduct principles outlined in the report.

If the Congress commits itself to adoption of the proposed code of conduct reforms, then I believe the Congress should permit their salary increases to take effect. This will not only restore public confidence in national leaders, but it will permit the country to be able to attract the most qualified citizens to these important posts.

Congress enacted in 1967 the current procedure which provides for a special Commission on Executive, Legislative, and Judicial Salaries to be established every four years. This Quadrennial Commission reviewed the rates of pay for the Executive Schedule and for positions at comparable levels in the Legislative and Judicial Branches and submitted recommended changes to me. I am required to include my recommendations in the next annual Budget transmitted after the Commission makes its report. These proposed rates go into effect a month later if neither the Senate nor the House disapproves.

The last increase occurred in 1969. Quadrennial adjustments proposed by the President in 1974 were denied by the Senate. Except for a 5% adjustment enacted in 1975, salaries of senior officials in the Executive, Legislative and Judicial Branches have been frozen for nearly eight years. This year's Quadrennial Commission, chaired by former Commerce Secretary Peter G. Peterson, has documented the serious problems in keeping and recruiting qualified officials.

There is also a related problem of salary compression for some Civil Service employees. Most grades of the General Schedule have continued to rise annually as a result of the upward pressure of private salary rates. But under current law no Civil Service employee can be paid more than the statutory pay rate for Executive Level V. Consequently, all senior Civil Service employees in grades GS-16 through 18 and many at the upper levels of GS-15 have reached this ceiling, so that five different levels of officials in the Executive Branch now are paid at much the same rate.

Many of the same problems apply to the Judicial and Legislative Branches. As a result of frozen compensation schedules, a number of Federal Judges have left the bench to return to private law practice, and the Chief Justice has reported to me that others are planning to do so. This represents an alarming loss of talent and experience.

The Quadrennial Commission determined that a 50% increase in Executive, Legislative, and Judicial pay would have been justified by economic indicators. However, the Commission members concluded that direct pay comparisons with the private sector are neither feasible nor appropriate for most of the positions covered by their report, and they recommend what they believe to be the minimum increases necessary to attract and retain the best qualified individuals for these positions. Nevertheless, I have somewhat reduced the amount of salary increases recommended by the Commission. I believe the levels contained in the Budget I am submitting to the Congress today, represents the proper balance between the need for higher levels of compensation and my determination that not one cent of the taxpayer's money should be spent unnecessarily.

The Commission's proposals for salary increases were coupled with recommendations for new "Codes of Public Conduct" in the three separate branches of Government. These would provide full public disclosure of each official's financial affairs, place tight restrictions on other earned income, apply strict conflict of interest provisions upon investments, tighten up expense allowances, place reasonable restrictions on post-service employment and provide vigorous and consistent auditing. In effect, the Commission thus recommends providing

higher salaries in exchange for limitations upon other forms of income that give rise to questions concerning ethics or conflicts of interest.

In order to demonstrate a firm commitment to the code of conduct reforms, I urge each House of the Congress to take positive action—such as adoption of a resolution—supporting the code within the thirty-day period available to reject the proposed salary increases. I commend the leadership shown thus far by both Houses in moving toward code of conduct reforms and I am confident that the principles stated in the Commission's report will be adopted.

GERALD R. FORD

The White House,
January 17, 1977.

1069

**Special Message to the Congress Reporting on
Budget Rescissions and Deferrals. *January 17, 1977***

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose nine new rescissions totalling \$1,001.3 million and report eight new deferrals totalling \$273.4 million in budget authority developed in connection with the 1978 budget. In addition, I am reporting \$70.6 million in increases to five deferrals previously transmitted.

The rescission proposals pertain to programs of the Departments of Commerce, Defense, State, and Transportation as well as the Small Business Administration and an International Security Assistance program.

The new deferrals involve programs of the Department of Commerce and Transportation and the Energy Research and Development Administration while the increases to existing deferrals relate to the Departments of Agriculture, Defense, and Transportation.

I urge the Congress to act favorably on the rescission proposals.

GERALD R. FORD

The White House,
January 17, 1977.

NOTE: The attachments detailing the rescissions and deferrals are printed in the Federal Register of January 24, 1977 (42 FR 4333).

1070

Annual Message to the Congress: The Economic Report of the President. January 18, 1977*To the Congress of the United States:*

The past year was a year of sound economic achievement. A year ago I said that my key economic goal was "to create an economic environment in which sustainable noninflationary growth can be achieved." While much remains to be done we have built a very solid foundation for further economic gains in 1977 and beyond. The recovery has continued to produce substantial gains in output and employment. Unemployment remains much too high, but the marked reduction that we see in inflation as well as in inflationary expectations represents significant progress toward regaining the stable noninflationary prosperity that has been our goal.

The gross national product, adjusted for inflation, rose by slightly more than 6 percent last year. The rise in production was extremely rapid at the beginning of 1976. The advance moderated during the spring, but at the close of the year the recovery showed signs of reacceleration. In December more than 88 million Americans were employed, an increase of about 3 million from last December and more than 4 million above the 1975 recession low. Economic gains were widespread. Real incomes continued their rise, consumer expenditures also moved upward, business investment began to recover, and housing construction improved significantly. Unemployment dropped sharply in the early months of last year, although it rose again as the extraordinarily rapid expansion in the labor force outpaced the creation of new jobs.

Substantial headway was also made on the inflation front. Since late 1975 the consumer price index has risen only 5 percent, a full percentage point less than was anticipated and a noteworthy improvement over the 12 percent inflation rate of 1974. Wage settlements continued to moderate. Record crops and more ample supplies of farm products halted the sharp increases in food prices. As fears of inflation ebbed, interest rates declined, contrary to most expectations at the beginning of the year; and the stock market, reflecting this heightened confidence, was close to the highs of the year when trading ended in 1976. The lower rate of inflation and the improved state of financial markets attest to the significant progress we have made during the past year toward reestablishing a stable, noninflationary, full-employment economy.

If this goal is to be fully realized, the present policy of moderation in fiscal

and monetary affairs and of relying on a restored vitality in the private sector must continue. We need tax reductions to support a lasting economic recovery and to provide relief from the increases in real tax burdens induced by inflation. In the long run, inflation and real economic growth will constantly push taxpayers into higher and higher tax brackets unless tax laws are changed. Some believe that these additional tax receipts should be spent on new Government programs. I do not. Instead I believe that the Congress should counteract the growing burden imposed by the tax system—and the reduction of private incentives that it implies—by periodically providing offsetting tax cuts while continuing to restrain the rate of growth of Government spending.

The creation of permanent, meaningful, and productive jobs for our growing labor force requires a higher level of private investment. Tax reductions must be so designed that measures to stimulate consumption are balanced by those which will increase investment. Investment has for some time been falling short of the levels required if we are to provide enough productive jobs for our people at rising real wage rates, and if we hope to renew and improve our capital stock so that we can meet our requirements for energy and make headway toward environmental, job safety, and other goals. Investment has grown more slowly than would normally be true at this stage of a recovery. A stronger spur to investment in productive plant and equipment is necessary for the further improvement in production and employment in 1977 and beyond.

TAX REDUCTIONS

In October 1975, I presented to the Congress a program of tax cuts and spending restraints that would have reduced the burden of government for all taxpayers. It would have given the American people more freedom to spend their incomes as they choose rather than as Washington chooses for them, and it would have increased incentives to expand investment. However, the Congress decided otherwise—to increase spending far more than I wanted and to cut taxes far less than I wanted.

Earlier this month I again sent to the Congress my recommendations to cut taxes. I have once more urged a permanent increase in the personal exemption from \$750 to \$1,000 to replace the system of temporary tax credits that has so greatly complicated the individual income tax return. I am also recommending a higher income allowance and a series of permanent tax rate reductions. My proposals provide income tax relief for individuals that will total \$10 billion in 1977.

To encourage the investment that will mean good steady jobs for our expanding labor force, I am recommending once again a permanent reduction in the corporate income tax from 48 to 46 percent. I urge as well the enactment of legislation to make permanent the extension of the 10 percent investment tax credit and the increased corporate surtax exemption provided by the Tax Reform Act of 1976. In the longer run we must eliminate the double taxation of dividend payments. I am therefore renewing my proposal to integrate corporate and personal income taxes gradually over a period of years beginning in 1978.

I am also renewing my recommendation of accelerated depreciation for investment in new plants and equipment undertaken in areas where unemployment is 7 percent or higher. I am firmly convinced that this is a far better way to raise employment where the economy has not caught up with the recovery than adding layer upon layer of new spending programs.

Although such tax cuts for individuals and businesses are desirable at this time to support stronger consumer and capital goods markets, we must be mindful of the need to bring down our large Federal budget deficit as quickly as possible. As the economy improves and the demand for private credit becomes greater, Federal borrowing requirements to finance the deficit must be lowered to avoid preempting funds needed for private investment and to ensure steady progress in the battle against inflation. Accordingly, in my Budget Message I am again recommending responsible restraint in the growth of Federal budget outlays. These policies will also bring us closer to our goals of stable noninflationary prosperity.

INTERNATIONAL DEVELOPMENTS

Much progress was evident in the rest of the world last year, and international economic cooperation continued to improve. Restoration of a stable growth path, however, has proved difficult. Throughout the world, countries are still grappling with the complicated and painful aftermath of inflation, recession, and the sharp increases in the relative price of energy. Serious social and political problems have made these adjustments more difficult.

When I met with the leaders of the major industrial nations in the summer of 1976, the restoration of full employment in our several economies was the most important item on our agenda. Stable full employment and continued improvement in the well-being of our own peoples and the world population at large, we agreed, will take a number of years. Although the course of faster expansion seems attractive, it is clearly risky. Impatience which leads to a reacceleration of inflation could jeopardize the significant progress we have achieved so far.

The costly lessons of the past decade are inescapable. High and variable inflation rates are incompatible with sustainable growth. Overly expansionary policies contributed to the very high inflation rate and, in turn, to the deepest worldwide recession since the 1930s. Policy changes and adjustments will doubtless be needed in 1977 and thereafter. But policies must hold to a reasonably steady and predictable course. In particular, the measures we select to further our economic expansion must not raise the risk of future inflation.

The growing recognition among nations of their interdependence has helped to create the cooperation that is now apparent among members of the industrial community. The mutuality of the policy goals of the developed and developing countries needs to be better understood on each side. For this reason the discussions between developed and developing countries during 1976 have attempted to foster a climate in which our joint interests and our diverse concerns can be freely expressed. Although the progress so far achieved has disappointed some, it has helped us avoid the sometimes easier but mutually destructive course of trade restrictions.

ENERGY POLICY

Energy matters retain their troublesome hold among the problems threatening the Nation's long-run prosperity. The sharp increases in oil prices in 1973-75 imposed major costs upon our economy. We have done much to accommodate the new higher prices for energy, but some aspects of energy policy have hampered the adjustment. The Congress has continued to hold prices for domestically produced oil and natural gas well below world market levels. These lower energy prices have encouraged the inefficient use of energy and discouraged efforts to expand domestic supplies and improve the energy efficiency of the overall capital stock.

The recovery has heightened the demand for energy and thus resulted in greater imports of oil. In consequence the United States now depends even more heavily upon imported petroleum and is even more vulnerable than a year ago to future price manipulation and interruptions in supply. Now that the problems of recession and inflation are receding, we can more vigorously address this difficulty. The energy program that I have presented before is designed to answer the longer need.

First steps are under way toward creating a strategic oil reserve which will help shield us from disruptions in supply. The OPEC pricing decisions of December were a forceful reminder of the Nation's growing need for protection against

foreign moves that affect the price and can alter the availability of imported oil. Strategic storage will provide a first line of defense against the threat of disrupted supplies. This vital program must be implemented, and we must also take positive steps to lessen our economic dependence upon foreign oil.

Measures that will make us less dependent on foreign energy supplies have been proposed by this Administration; but unfortunately many of the most important proposals have not yet been accepted by the Congress. Some of the measures involve present costs which will yield much greater future benefits. Others, which would lead to more efficient use of our energy resources, would benefit the Nation immediately as well as in the future.

It is critically important—for energy security, environmental quality, and long-term economic productivity—that prices of domestic petroleum and natural gas be allowed to match more closely the full cost of these fuels. In the immediate future oil prices should be allowed to rise as they were intended to do under the Energy Policy and Conservation Act. Steps should also be taken which would help close the gap more rapidly between domestic and world market prices for petroleum, allow a free-market price for North Slope Alaskan oil, and de-regulate the wellhead price of new natural gas.

Although a number of inconsistencies remain, the relation between the Nation's goals for energy and for the environment has become clearer and the effects of existing policies more fully known. The time is ripe for reexamining environmental policy and determining whether the ends we all seek can be achieved at a lower cost to the economy and to the security of our energy supplies.

Taken together, all of the actions recommended here would help the economy to adjust to the new energy situation and do much to ensure more reliable supplies of energy for the future. They would also signal to the world that this Nation is serious about developing secure supplies of energy. Most important, these efforts would encourage conservation and give industry the confidence that will spur the production of both conventional fuels and substitutes.

REGULATORY REFORM

As economic problems have arisen and been dealt with by new policy initiatives, the Government's role in the economy has grown ever larger. The number of commissions, agencies, administrations, bureaus, and offices set up to conduct programs increases constantly. Each appears important when it is first established. The trouble is that they are seldom, if ever, terminated when they

have accomplished their original mission. By one recent count there were 1,200 Federal Government organizations alone having significant powers to regulate a wide and growing range of economic activities.

The direct Federal outlay to control practices in the private sector is substantial. Even more important are the losses that these activities impose on the production and distribution of goods and services throughout the economy. No accurate measure of the total costs and benefits of actions by the regulatory agencies is possible at this time or perhaps ever. Although all Americans are aware of the substantial benefits which regulations produce in their everyday lives, we frequently lose sight of the efforts of such programs in restricting the growth of productivity.

The use of newly developed technology, the development of new companies and products, and the opening up of new occupations have all been impeded by the need for licenses, certification, review, and legal judgments introduced by one agency or another. When innovative activities are discouraged progress is curbed throughout the economy, even in those areas where some regulation is justified. Regulations must therefore be reexamined to ensure the removal of costly and counterproductive regulations and to identify those whose need has passed. Where benefits seem large we should make sure that the benefits are realized at the least possible cost.

To reduce the regulatory burden, I asked the Congress in the last year to eliminate unnecessary and anticompetitive regulation in the airline and trucking industries. This action was to follow the path of regulatory reform that the railroad industry achieved in the Railroad Revitalization and Regulatory Reform Act of 1976. I also urged the Congress to eliminate the Federal Power Commission's controls on new gas prices, which have held back exploration and sales to the interstate pipelines serving northern and western cities. Earlier this month I once again submitted to the Congress a plan to eliminate controls on gasoline refining and marketing.

Among agencies under my jurisdiction I have set out new regulatory procedures which will make controls more effective and less costly to all concerned, but such steps are only a beginning. The Congress and the executive branch must undertake a comprehensive review to ascertain the effects of present controls, and then offer to the American people a corrective program that will cut across administrative boundaries. Only a sweeping reform will remove the regulatory burden where it is no longer justified and place the initiative for production and distribution back in the more efficient hands of private enterprise.

ROLE OF THE GOVERNMENT IN SOCIETY

I firmly believe that if we dedicate our efforts to the major problems I have outlined here we can successfully resolve them. As a people we have an extraordinary capacity to marshal our resources against even the gravest difficulties.

Unfortunately many of our problems are self-made. One which has concerned me particularly over the years is a tendency, born of goodwill and a desire to improve the state of American life, which makes us think we can create costless benefits for our people. We are unwilling to confront some of our hardest choices. We persist in the belief that we can always tolerate a little larger Federal deficit, or the creation of a little more money, especially for the sake of programs which seem to promise clear and readily definable benefits. This is a kind of self-deception that we must learn to resist.

Certainly we must adopt measures that promise to keep the economic expansion going and reduce the high unemployment. But overly expansive policies with their inevitable risk of renewed inflation are realities which are easily overlooked in the understandable desire for the immediately tangible benefits foreseen from specific programs. What we seek is a sustainable expansion and the restoration of full employment without inflation, and we must settle for no less.

The discipline implicit in a prudent fiscal policy is not easy but it offers very considerable and lasting rewards. I am hopeful that the recent creation of the budget committees to serve the Congress will help to provide this necessary discipline. Prudent budget policies are essential if we are to restore stable full-employment conditions and provide the productive jobs which our people need and want. Some part of our present deficit is the result of the recession and will accordingly disappear as full employment is restored. Beyond this, however, we must restrain the growth of Federal expenditures. If we do not, we shall have to resign ourselves to higher taxes or to high employment deficits with their inflationary consequences.

Nowhere are these tradeoffs so evident as in our social security program and our efforts to provide medical insurance for our people. I have emphasized the need to maintain a fiscally sound social security system and repeatedly rejected proposals to fund increased benefits out of what are called general revenues. The purpose of linking social security benefits to specially designated taxes is to balance the benefits to one segment of society with the costs to another segment. Our democratic processes of government work better when the

costs of programs are open and visible to those who pay them. Funding our social security benefits through specifically designated payroll taxes strengthens the discipline that should govern these decisions. Benefits are not costless, and we should not allow this fact to be submerged in any general revenue funding of the social security system.

Similar pressures are building up with respect to medical care. We have become concerned, and rightly so, over sharp increases in the cost of medical care which emphasize the need to improve the efficiency and effectiveness in the delivery of health care services. These have arisen in part because the large expansion in health insurance coverage under both private and public programs has reduced the sensitivity of consumers to costs and weakened the incentives to achieve efficiencies. Individuals, businesses, and unions, confronted with the higher costs of private health insurance have begun to exert curbs on the systems for delivering health and medical service, and their influence should be salutary. I hope we will not choose to fund these costs through a comprehensive national health insurance system, since this will only weaken the incentives for improvement and efficiency that are now emerging.

These are but two examples of the pressures which threaten to erode our fiscal processes. We must recognize that making governmental expenditure policy the principal arm of demand management has undesirable consequences. Expenditure programs once in place are extremely difficult to cut back. The result is a permanent rise in Federal outlays and the risk of ever-increasing growth in the government relative to the private sector. As the experience of other countries forcibly illustrates, this is a dangerous path. It weakens incentives, reduces efficiency, leads to lagging standards of living, and carries inevitable risks of inflation. It is much better to provide fiscal adjustments through tax reductions than through Federal spending programs.

The solid improvement of this year means continued progress toward a better life for all Americans. Problems will always remain, but the future is bright with opportunities to continue strengthening our economy. Improvement is part of the American way of life, but we must recognize that few problems, when viewed realistically, lend themselves to quick and easy solution. Our policies must take into account the full costs and lasting implications of the changes we make today for whatever worthwhile reason. If they attack symptoms rather than causes, policies will be ineffective and may even preclude the very goals which we seek. Enduring improvement in the economic welfare of

the American people requires that the courses we embark on to meet today's problems will also bring us closer to our more distant goals and aspirations.

GERALD R. FORD

January 18, 1977.

NOTE: The President's message, together with the Annual Report of the Council of Economic Advisers, is printed in the "Economic Report of the President,

Transmitted to the Congress January 1977" (Government Printing Office, 305 pp.).

1071

Message to the Congress Transmitting Annual International Economic Report of the President. *January 18, 1977*

To the Congress of the United States:

The world economy has come a long way from the gloom and uncertainty of two years ago. Despite many divisive economic pressures, international cooperation has not broken down but has, in fact, improved. U.S. initiatives to strengthen international economic cooperation have led to real progress. Our major allies and trading partners have cooperated with us and have reciprocated our desire for strengthened economic ties.

At the Economic Summit in Puerto Rico, in the OECD, the IMF, the GATT and in numerous other meetings in 1976, we joined with our major trading and financial partners and with other nations to whom developments in the larger economies are of primary importance, in forging compatible approaches to the difficult problems that beset our economies. We concurred that first and foremost we must place our economies on a path of sustained growth without inflation. That is the essential ingredient to further and lasting reduction in unemployment. We also strengthened our common resolve to avoid trade restrictive measures and to negotiate a more open international trading system. We reached a consensus on appropriate means to assist countries needing financial help as they work toward economic stability. We also agreed to make constructive efforts to deal with the problems between developed and developing nations.

The United States can be proud of its leadership in these areas. International economic cooperation is stronger today than at any time since the Second World War. We have learned the importance of industrialized democracies taking into account the likely impact of their actions on other nations as they develop their economic policies. In an interdependent world, a nation which disrupts the economies of its trading partners does so at its own eventual peril.

We have also come to realize how mutually supportive action benefits all countries. Accordingly we and our partners have improved arrangements for assisting countries in special need as they work to stabilize their domestic economies. The United States has worked very closely with several of our friends and allies in supporting their efforts to resolve their economic difficulties. We have constructed a strong framework for cooperation with other industrialized democracies to manage future possible disruptions of oil supplies and to reduce dependence on oil imports. We have attempted to promote a more constructive relationship with the developing nations. This new relationship will enable us to enhance their economic prospects as a part of a common effort to improve the world economy and to give them a greater share of the responsibilities for, and in the management and benefits of, an orderly and prosperous international economic system.

More specifically, substantial progress, together with lingering problems, mark developments in several areas.

Monetary Affairs

In 1976, member nations of the International Monetary Fund successfully concluded the first general revision of the Articles of Agreement since the Bretton Woods Agreement of 1944. In effect, these amendments replace the old exchange rate system based on par values with one permitting countries to establish floating exchange rates, either individually or jointly. The new system will oblige member countries to promote exchange stability by fostering stable economic and financial conditions and to avoid disruptively influencing exchange rates or the international monetary system. Under the new system, Special Drawing Rights will replace gold as the unit of account in the Fund.

The amendments creating this system were formally accepted by the United States and will become effective upon similar ratification by the requisite number of member nations. At that time, the Fund will have new and broader responsibilities for overseeing the international monetary system and for developing principles that will help countries meet their financial obligations. The effect will be to promote expanded trade and growth through a more efficient and realistic exchange rate system.

The United States also proposed the creation of a Trust Fund, managed by the IMF, to provide assistance on concessionary terms to low-income Fund members. Resources are now being realized from profits on sales, over four years, of 25 million ounces of IMF-held gold.

International Trade

Although the recession and large balance of payments deficits of the oil consuming countries led several of them to move in the direction of new restrictive trade policies, on the whole, considerable success has been achieved in maintaining an open world trading system. The growth of world trade resumed in 1976, following a decline in 1975—the first since World War II.

On January 1, the United States joined other developed countries in establishing a Generalized System of Preferences for imports from developing nations. These preferences apply to more than 2,700 tariff items, giving duty-free access to the U.S. market to qualified developing countries and affording these nations the opportunity to diversify their exports and to increase their export income.

The Multilateral Trade Negotiations in Geneva, among more than ninety nations, made progress in several areas. The United States proposed a formula for cutting tariffs, and a number of other measures covering tropical products from developing countries, import safeguards, and quantitative restrictions. Considerable progress was made on a product standard code, and work was started on improving the GATT framework for international trade and on a code for government procurement.

This international cooperation in furtherance of open trade was complemented by U.S. action in resolving several domestic complaints of trade injury. The responsible actions of this country strengthened the resolve of our trading partners to resist pressures for import restrictions, thus contributing to brighter prospects for U.S. exports and to an orderly and open international trading system.

Commodities and Raw Materials

Major developments in the international commodity area during 1976 included an agreement to expand the IMF Compensatory Finance Facility; adoption by the UNCTAD IV Conference of a comprehensive commodities resolution; continued commodity policy discussions at the Conference on International Economic Cooperation; and efforts to renew the coffee, tin, and cocoa commodity agreements.

The United States strongly supported expansion of the IMF Compensatory Finance Facility, designed to help countries to stabilize their export earnings. In addition, at the UNCTAD IV Conference, the United States proposed the creation of a new International Resources Bank to promote production of raw materials in the developing nations by facilitating investment flows into these countries.

In some respects, however, the approach of the United States with respect to commodity policies differs from that of a number of developing countries. Generally, these countries support commodity arrangements that provide for greater government control of prices and production, as well as common financing of commodity buffer stocks. In contrast, the commodity policy of the United States has three major objectives:

- To ensure adequate investment in resource development to meet future market demands at reasonable prices;
- To examine on a case-by-case basis individual commodities in order to determine how best to improve (where possible) the functioning of individual commodity markets and to determine whether commodity agreements would be useful and appropriate;
- To promote the stable growth of the commodity export earnings of developing countries.

The United States has repeatedly pointed out that artificial increases of prices serve the interests of neither producers nor consumers in both developed and developing countries. Frequently, control of prices and production has led to lower, less stable earnings for producers, mainly because substitute sources are developed or existing sources expanded. Moreover, controls have often initially meant higher prices for consumers, reduced exports, and a decline in the economic welfare of all parties.

The United States, while prepared to genuinely consider methods of improving markets for individual commodities, generally supports the use of market mechanisms to determine supplies and prices.

Multinational Corporations and International Investment

In June 1976, the United States approved the adoption of the Declaration on International Investment and Multinational Enterprises devised by the Organization for Economic Cooperation and Development. This agreement affirms the principle of national treatment of multinational corporations (MNC's); recommends guidelines of good business practices for the activities of MNC's; and indicates the responsibilities of governments regarding international investment incentives and disincentives.

The United States recognizes that increased investment is a critical element for international economic growth, and that MNC's have contributed substantially to the rise in international investment and productivity. The activities of MNC's, however, have prompted questions about their obligations to both home and host countries and about the reciprocal responsibilities of nations

where the MNC's do business. Where possible, the United States is willing to enter into bilateral and multilateral discussions to help resolve these intergovernmental disputes.

The United States welcomes foreign investment in its domestic economy. The Administration's Committee on Foreign Investment in the United States has coordinated overall policy in this area. In 1976, major studies of foreign portfolio and foreign direct investment in the United States were completed and reported to the Congress.

Critical International Economic Problems

We must also be aware that the events of the past year have left an agenda of unresolved problems including:

(1) the challenge of achieving stable economic growth in industrial and developing nations alike, and reducing inflation, unemployment and excessive public sector deficits;

(2) the necessity for the United States and other nations to obtain an adequate amount of real capital formation, to create jobs and to increase productivity;

(3) the major imbalance between oil exporters and oil importing nations, and the directly related increasing debt burden of developing and some developed nations;

(4) the failure to achieve an agreement among developed and less developed nations on an effective and efficient strategy for increasing prosperity for less developed countries in the context of a common effort to improve the world economy;

(5) the inadequate progress of the United States and other oil-consuming nations in reducing dependence on oil imports; and the need to encourage domestic development of oil and gas resources, alternative energy sources, and conservation;

(6) the continuing temptation among nations to use restrictive trade measures and the need to resist such pressures while reducing trade barriers and improving means for managing trade problems.

This Report traces the progress made in 1976 in dealing with the major economic issues facing the world. Evolving economic and political developments will continue to challenge the leaders of all nations. Because of the vigor of our people and the strength of our system, the United States today, as much or more than in years past, is the pivotal force for building a strong and prosperous world economy. By acting in a manner consistent with the interests of our own people yet remaining cognizant of the interests of other nations as well, I am certain

that the United States will continue to provide leadership in solving the critical issues of today and the unforeseen developments of tomorrow.

GERALD R. FORD

The White House,
January 18, 1977.

NOTE: The President's message, together with the annual report of the Council on International Economic Policy, is printed in the "International Eco-

nomie Report of the President, Transmitted to the Congress January 1977" (Government Printing Office, 194 pp.).

1072

Special Message to the Congress Proposing Airline Industry Regulatory Reform Legislation. January 18, 1977

To the Congress of the United States:

Solving the airport noise problem is an environmental imperative for the millions of Americans who live in neighborhoods around our major airports. One reason U.S. commercial airlines have been unable to meet FAA noise standards is that some airlines could not afford to under the regulatory constraints of the present regulatory system.

On October 21, 1976, therefore, I took the following action:

First, I directed the Administrator of the Federal Aviation Administration to promulgate a regulation requiring domestic commercial aircraft to meet Federal Noise standards in accordance with a phased-in time schedule, not to exceed eight years.

Second, I put Congress on notice that my aviation regulatory reform proposal of 1975, which they had failed to pass, would be resubmitted in January, 1977. On January 13, 1977, I submitted to the Congress a separate message outlining my recommendations for major aviation regulatory reform. Only by enactment of these recommendations can we achieve long-term financial strength in the airline industry necessary to meet these and future noise requirements.

Third, I directed Secretary Coleman to hold public hearings and report to me on whether further financing arrangements might be necessary to ensure that all U.S. carriers can meet the noise standards within the prescribed time schedule.

The Department of Transportation has now issued a comprehensive statement on Aviation Noise Abatement Policy; the Federal Aviation Administration published on December 23, 1976, regulations responding to my directive; and the

Secretary of Transportation conducted hearings on alternative financing arrangements.

With regard to the financing problem, it is encouraging to note that the airlines have reported that their earnings for 1976 increased substantially over those for the previous year. I believe, however, that it is essential to the long-term economic success of the airlines that meaningful regulatory reform legislation be enacted in this session of the Congress.

It must be recognized that it is up to the Congress to enact legislation on regulatory reform and that the full benefits of any such legislation would be phased in over time. Implementation of the noise requirements, however, must begin now. Because the airlines must meet the prescribed noise reduction schedule on time and in a cost-effective manner, I am submitting two bills for the consideration of the Congress.

In brief, the amendments to the Federal Aviation Act and the Airport and Airway Development Act, that I am now submitting provide for:

(1) The establishment by the Civil Aeronautics Board of a program under which an environmental surcharge would be placed on air passenger tickets and waybills that would provide revenues necessary to help finance the modification or replacement of noisy aircraft; and

(2) The establishment of a program of grants to airlines from existing balances in the Airport and Airway Trust Fund to assist in financing the modification of categories of aircraft specified by the Secretary of Transportation.

The amendments to the Internal Revenue Code provide:

—A reduction in existing air passenger ticket and waybill taxes, the revenues from which have built up a \$1.5 billion surplus in the Airport and Airway Trust Fund.

Revenues from the reduced aviation user taxes will still be sufficient to finance Government airport and airway programs at levels provided for through fiscal year 1980.

Again, it is preferable to solve the long-term financial requirements of the aircraft noise problem through the enactment of the regulatory reform legislation I proposed in 1975 and have recommended again this year. Given the need to begin implementation of these noise rules immediately, I recommend that the Congress give careful attention to the benefits that my regulatory reform proposal will provide and consider the bills I am forwarding today in this context.

GERALD R. FORD

The White House,
January 18, 1977.

1073

Letter to the Speaker of the House and the President of the Senate Retransmitting the United States-Turkey Defense Cooperation Agreement. January 18, 1977

I AM transmitting herewith draft legislation, "To authorize the President to implement an Agreement with the Government of the Republic of Turkey relative to Defense Cooperation pursuant to Article III of the North Atlantic Treaty in order to resist armed attack in the North Atlantic Treaty Area."

This is identical to the draft legislation which I transmitted to the 94th Congress on June 16, 1976. Because the 94th Congress adjourned *sine die* without acting on this matter, I am retransmitting the draft legislation and sectional analysis thereof which accompanied my June 16 message. At that time, I urged early and favorable consideration by the Congress in order to give new strength and stability to U.S.-Turkish security cooperation, which has served not only the interests of our nation but has buttressed NATO's southeastern flank for more than two decades. Like the 1969 Agreement which it replaces, the new Agreement authorizes U.S. participation in defense measures in Turkey related to obligations of both parties under the North Atlantic Treaty. The purpose of the Agreement and its key provisions are described in my June 16 message.

Turkey needs substantial amounts of outside assistance to continue essential modernization of its armed forces to meet increased Warsaw Pact armed forces capabilities. It clearly continues to be in the U.S. interest to provide such assistance. This Agreement restores U.S. assistance to levels comparable in real dollar terms to what we have been providing Turkey over the past 30 years.

Close security ties with Turkey are in the interest of the United States. Such ties strengthen Turkey's contribution to NATO and to the stability of the eastern Mediterranean area. Approval and implementation of the new Agreement will restore an atmosphere of trust and confidence between the United States and Turkey and thereby contribute to our efforts to encourage peaceful settlement of long-standing regional issues.

I urge prompt Congressional approval of this legislation.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

1074

Letter to Congressional Committee Chairmen on Federal Compensation for Federal Reserve Board and Office of Management and Budget Officials. *January 18, 1977*

I AM writing to you about a matter of unfinished business which I believe deserves the early consideration of the Congress.

As you know, the Quadrennial Commission on Executive, Legislative and Judicial Salaries recently issued a comprehensive report which covered a wide range of problems in the present system of Federal compensation. In a discussion of existing, serious anomalies in the Federal pay structure, the Quadrennial Commission stated:

“By any standard, the Chairman of the Federal Reserve Board has responsibilities that one could argue are roughly equivalent to the Secretary of the Treasury. His position has many aspects of a career job—given the fourteen year tenure. Thus, it does not offer the prospect of a short government career. The internal relationships within the “government” banking institutions are more than anomalous. They are incomprehensible. The President of the New York Federal Reserve Bank is paid \$97,500 versus the \$44,600 Level II salary of the Chairman of the Federal Reserve Board.

An equally irrational classification result is the enormously important job of Director of the Office of Management and Budget who constantly negotiates with Cabinet members on critical budget matters on behalf of the President, yet is still classified as Level II; i.e., at the level of an Undersecretary.” I would urge that immediate steps be taken to correct these two serious defects in the classification structure.

With regard to the Federal Reserve Board:

—Those who control our monetary policy have a more pervasive impact on the economy and society as a whole on a day-to-day basis than any other comparable group in any department or agency.

—The Federal Reserve Board has an extraordinary set of conflict of interest rules. Unlike other members of the government, its members are even barred from investing in government bonds. There are also existing, severe constraints on the jobs that can be accepted upon departure from the Board.

—Historically, the Chairman of the Board *and* the members of the Board were paid at the Cabinet level. In 1949, however, the Congress reduced the Board’s pay levels.

Action should be taken to restore the position of Chairman of the Federal Reserve Board to a Level I and the members of the Board should be raised to Level II.

With regard to the Director of OMB, the issue is simply whether all Cabinet officers subject to Senate confirmation should receive the same pay. I believe the answer to this question is unequivocally and categorically in the affirmative. The Congressional hearings on PL 93-250 of 1974 indicate that the Congress, when it required Senate confirmation for the Director and Deputy Director of OMB, considered the position of Director to be comparable in importance to other members of the Cabinet whose appointments are subject to Senate confirmation.

I would urge that immediate action be taken on making the Director of OMB Level I and the Deputy Director Level II.

I trust you will accept these recommendations in the spirit in which they are made.

With warm regards.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Abraham Ribicoff, Chairman, Senate Committee on Government Operations; the Honorable Jack Brooks, Chairman, House Committee on Government Operations; the Honorable Wil-

liam Proxmire, Chairman, Senate Committee on Banking, Housing and Urban Affairs; and the Honorable Henry S. Reuss, Chairman, House Committee on Banking, Finance and Urban Affairs.

1075

Remarks at Dedication Ceremonies for the National Defense University. *January 18, 1977*

Thank you very much, Admiral Bayne, Secretary Rumsfeld, Secretary Clements, distinguished Service Secretaries, members of the Joint Chiefs, members of the military, distinguished guests, ladies and gentlemen:

It's a very high honor and a very rare privilege for me to be on this campus for the dedication of the National Defense University, and I thank you for the invitation and for this opportunity.

I was reminiscing a bit on the way over, and I recalled very vividly the number of opportunities that I've had in the past to come and enjoy an exchange with members of the faculty and members of the student body. I had the feeling all the time of a creative atmosphere, both at the War College and the Industrial College of the Armed Forces. I enjoyed the opportunity to say a few words and,

even more, the benefit of the questions and answers that were certainly helpful to me and, I trust, of benefit to the students.

But today's ceremonies mark the historic union of these two fine colleges into one university. In the years to come, this new institution will be an institution that will set new standards of excellence for American military education.

General Scowcroft¹ was telling me as we came over that in February of 1903, President Teddy Roosevelt laid the cornerstone of the present home of the National War College, the building in which we are holding these ceremonies. And during that ceremony he spoke eloquently of America's awesome responsibilities in its new position as a world power. He warned, and most appropriately, that we could not properly bear those responsibilities unless our voice is potent for peace and for justice with the assured self-confidence of the just man armed.

In 1960, during the final months of the administration of President Dwight Eisenhower, he came to dedicate the new home of the Industrial College of the Armed Forces. During that ceremony he declared that our first-priority task was to develop and sustain a deterrent commanding the respect of any potential aggressor and to prepare to face resolutely the dangers of any possible war.

Today, national defense—as I said the other night in the State of the Union Message—national defense remains our first priority. Strong, capable military and civilian leadership plays a crucial role in maintaining that security. Over the years—and I have been fortunate during my term in the Congress and as Vice President and as President to have an exposure to military personnel, those who formerly came before the committee on which I served and those that I have observed in my previous position and this one—and I can say without hesitation or qualification that I have admired the high, high caliber of those who serve in the Armed Forces and those, likewise, who serve in positions of great responsibility in the executive branch.

But in the process of being a Member of Congress, I did, from time to time, see firsthand the graduates from both colleges of this new university. It was interesting to me that some 5,600 men and women have already graduated from the two schools. According to the records, most of your predecessors and yourselves arrived after 20 years of valuable public service, and most departed to assume even higher and greater responsibilities. It was interesting to me that over one-quarter of the military graduates had been selected for flag or general officer rank, and over one-quarter of the Foreign Service graduates achieved ambassadorial rank. This is a tribute to the colleges and to the personnel who attended each of the two institutions.

¹ Lt. Gen. Brent Scowcroft, USAF (ret.), Assistant to the President for National Security Affairs.

But as we look down the road, it is essential to our Nation's future security that special, dedicated men and women be given the time and the opportunity for study, learning, and reflection. Here you do have an opportunity to consider the formulation of our national security policies and management of our resources that are essential to our security and America's role in the world.

It seems that as you go through the process here at this new institution, you must not only face the question of what do I know, but perhaps more importantly, what do I believe? The National Defense University is not only dedicated to knowledge and to learning, it is dedicated to basic American beliefs. To preserve those beliefs our country must be strong militarily, equally strong industrially and morally. Military strength will preserve our freedom, and world peace depends on a strong America.

I'm greatly privileged to be the first American President since Dwight D. Eisenhower to leave office while America is at peace. For that I am grateful to you, as all Americans are grateful to all in the military and those in the other services that have corresponding responsibilities. We do look to you to continue your outstanding contribution to our national security.

Admiral Bayne, as one of my last official acts as President, let me now hand over to you the coat of arms symbolizing learning, strength, and patriotism, so that we can appropriately dedicate the National Defense University.

Thank you very much.

NOTE: The President spoke at 2:40 p.m. at Fort McNair. In his opening remarks, he referred to Vice Adm. M. G. Bayne, USN, president of the university,

Donald H. Rumsfeld, Secretary and William P. Clements, Jr., Deputy Secretary, Defense Department.

1076

Memoranda on Vietnam-Era Selective Service Discharges.

January 19, 1977

Memorandum for the Secretary of the Army, the Secretary of the Air Force, the Secretary of the Navy; Through the Secretary of Defense

Under Proclamation 4313 of September 16, 1974, which established a Vietnam era clemency program for draft evaders and military deserters, approximately 13,589 former military service members who had been discharged for desertion and approximately 5,555 undischarged deserters applied for clemency. As President, I have a continuing concern over the welfare of these people, particularly those who were wounded in combat or who received decorations for valor in

combat in Vietnam and subsequently received other than honorable discharges.

As Commander-in-Chief and consistent with the spirit of reconciliation of my clemency program, I am hereby directing that you take all necessary action to insure that the discharges of these former service members who were wounded in combat or who received decorations for valor in combat in Vietnam and who applied to the clemency program be reviewed on an individual basis.

I am further directing that these discharges be recharacterized as under honorable conditions, unless you find a compelling reason to the contrary in any case.

By a separate memorandum, I have requested the Attorney General to assist you in the identification process by providing the names and service numbers of all former service members who applied to the Presidential Clemency Board program and whose records indicate that they were wounded in combat or received decorations for valor in combat.

GERALD R. FORD

Memorandum for the Commandant of the Coast Guard; Through the Secretary of Transportation

Under Proclamation 4313 of September 16, 1974, which established a Vietnam era clemency program for draft evaders and military deserters, approximately 13,589 former military service members who had been discharged for desertion and approximately 5,555 undischarged deserters applied for clemency. As President, I have a continuing concern over the welfare of these people, particularly those who were wounded in combat or who received decorations for valor in combat in Vietnam and subsequently received other than honorable discharges.

As Commander-in-Chief and consistent with the spirit of reconciliation of my clemency program, I am hereby directing that you take all necessary action to insure that the discharges of the former Coast Guard service members who were wounded in combat or who received decorations for valor in combat in Vietnam and who applied to the clemency program be reviewed on an individual basis.

I am further directing that these discharges be recharacterized as under honorable conditions, unless you find a compelling reason to the contrary in any case.

By a separate memorandum, I have requested the Attorney General to assist you in the identification process by providing the names and service numbers of all former Coast Guard service members who applied to the Presidential Clemency Board program and whose records indicate that they were wounded in combat or received decorations for valor in combat.

GERALD R. FORD

Memorandum for the Attorney General

By separate memoranda, I have directed the Secretaries of the Army, Air Force, and Navy and the Commandant of the Coast Guard to take all necessary action to insure that the other than honorable discharges of former service members who were wounded in combat or who received decorations for valor in combat in Vietnam and who applied to the clemency program be reviewed on an individual basis. I have further directed that these discharges be recharacterized as under honorable conditions, unless there is a compelling reason to the contrary in any case.

In order to assist the identification process, I am requesting that you provide to the Secretaries of Defense and Transportation, as appropriate, the names and service numbers of all former service members who applied to the Presidential Clemency Board program and whose records indicate that they were wounded in combat or that they received decorations for valor in combat.

GERALD R. FORD

1077

Letter to Mrs. Philip A. Hart on Amnesty for Vietnam-Era Draft Evaders and Deserters. *January 19, 1977*

Dear Jane:

Since our recent conversation, I have thought a great deal about your request that I grant amnesty to all Vietnam war era draft evaders and deserters.¹ I have carefully reviewed my clemency program which enabled individuals to earn clemency discharges and pardons and believe it is a program consistent with America's best traditions of compassion and forgiveness. When I established the program, I did so in the belief that it was very important for the country that the post-Vietnam reconciliation take place in an atmosphere that restored unity and at the same time maintained a respect for the law and for diversity of opinion. Of the more than 21,700 people who applied to the clemency program, approximately 13,500 have received or are in the process of earning pardons, clemency discharges, or other benefits.

I know how firmly and deeply you and Phil and your children have felt about Vietnam amnesty, and I respect that feeling and belief. However, I also have a strong personal belief that earned clemency was the right approach to healing our country's Vietnam wounds and to creating a mutual understanding among

¹ See footnote 1, Item 1039.

all those individuals and families who were personally involved in the Vietnam war, from those who felt they could not serve to those who lost a child, a husband, or a father. I thus have decided to maintain my position on earned clemency and hope you will understand. Within my clemency program, however, I have directed that the other than honorable discharges received by former service members who were wounded in combat or received decorations for valor in combat in Vietnam each be reviewed and upgraded to discharges under honorable conditions, unless there is a compelling reason to the contrary in any case.

Betty and I want to convey again our deep condolences to you, your children, and to the entire Hart family on the loss of Phil.

Sincerely,

GERALD R. FORD

1078

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Energy Independence Authority Legislation. *January 19, 1977*

MORE THAN three years have now passed since the Arab oil embargo of 1973 dramatically illustrated our ever-increasing dependence on foreign oil. Despite several positive legislative steps during this period, our vulnerability has increased. In my recent energy message and State of the Union address, I outlined a number of energy areas that require the most immediate attention of the Congress and the new Administration, including a number of proposals I put forth two years ago in the proposed Energy Independence Act. Among the important energy issues which must be promptly addressed is the need to supplement and encourage investment in new energy technologies not yet in widespread commercial operation.

It is estimated that the capital requirements for energy independence will total about \$600 billion over the next ten years. Risks are such in many of the projects necessary to develop domestic energy resources and reduce consumption that private capital markets will not provide necessary financing. The uncertainties associated with new technologies inhibit the flow of capital.

America cannot permit the excessive delays associated with the commercialization of unconventional energy technologies. New production is essential. Our national security and economic well-being depend on our ability to act decisively on energy.

Accordingly, I am herewith transmitting the Energy Independence Authority Act of 1977. This legislation would create a new partnership between the private sector and the Federal Government to assure action on vital energy projects in the next decade. The Federal financial assistance provided in this Act would be directed primarily toward the commercialization of those new technologies which offer the greatest promise to develop new supplies and conserve our present energy resources. The financing would be limited to those projects which would not be initiated without new Federal assistance. The EIA would be authorized to invest up to \$100 billion during a seven-year period. It would terminate after ten years.

This legislation also addresses the need to simplify and expedite the increasingly complex process by which Federal regulatory decisions affect energy development. It provides for a more effective Federal licensing process by authorizing a coordinated, single Federal application process and requiring Federal agencies to act promptly. The legislation would not alter the basic statutory responsibilities of Federal regulatory agencies.

The achievement of energy independence in the next decade requires a partnership of American business, labor, and government. Each partner must bear a fair share of the burden in the national interest.

The Energy Independence Authority Act of 1977 will give the United States the tools necessary to achieve energy independence, and I urge its prompt enactment.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the House of Representatives, and the Honorable to the Honorable Thomas P. O'Neill, Jr., Speaker of Nelson A. Rockefeller, President of the Senate.

1079

**Statement on the National Endowment for the Humanities
Challenge Grant Program. January 19, 1977**

THE National Endowment for the Humanities, which I have strongly supported, faces important challenges in the future: It must help meet the demand by our citizens for fuller participation in the humanities and must infuse into the national life greater concern for ethical and moral values. To accomplish this goal the Federal and non-Federal sectors must cooperate to improve the financial stability of those American institutions which house and make available

humanistic knowledge—institutions or research, education, and dissemination.

It is a national paradox that at the same time public recognition and use of the humanities—history, literature, archaeology, ethics—is increasing, the Nation's cultural institutions—libraries, museums, historical societies, colleges and universities, public radio and television—are finding it increasingly difficult to keep their doors open and their programs alive. This has been a matter of deep concern to me for some time.

In the Arts, Humanities and Cultural Affairs Act of 1976, the Congress recognized the Federal responsibility and provided authorization for a Challenge Grant Program, to encourage a broader base of private support to such institutions. The private sector must assume the major responsibility for sustaining these institutions, but it is the *Federal* role to exercise leadership, to point the way. That is what a "challenge grant" mechanism enables us to do.

In my budget just submitted to the Congress, I specifically requested that this Challenge Grant Program be implemented this year, with a supplemental appropriation of \$12 million for the Humanities Endowment in fiscal 1977 and \$18 million to be appropriated in fiscal 1978. When matched three for one by private citizens, foundations, corporations, States, municipalities, labor, and civic groups, the \$12 million will provide \$48 million this year, and the \$18 million an additional \$72 million next year, for the cultural institutions of the Nation and the citizens they serve.

The regular grantmaking activities of the Humanities Endowment for specific projects will, of course, continue. However, it is important to note that separate Challenge Grant moneys are designed to provide institutions with *basic operating support*: defraying deficits, renovation of facilities, maintenance, acquisition of equipment and materials, maintenance and conservation of collections, and design and development of fundraising efforts, among other expenses.

I can think of no better cause for Federal involvement. I wish the National Endowment for the Humanities success in this undertaking.

1080

Message to the Senate Transmitting the United States-Philippines Convention on Income Taxation.

January 19, 1977

To the Senate of the United States:

I submit herewith, for Senate advice and consent to ratification, the Conven-

tion signed at Manila on October 1, 1976, between the Government of the United States of America and the Government of the Republic of the Philippines with Respect to Taxes on Income, and an exchange of notes between Secretary of the Treasury William E. Simon and Secretary of Finance Cesar Virata interpreting Article 23(2) of the Convention, done at Washington on November 24, 1976.

There is no convention on this subject presently in force between the United States and the Philippines.

The Convention follows generally the form and content of most conventions of this type recently concluded by this government. Its primary purpose is to identify clearly the tax interests of the two countries so as to avoid double taxation and make difficult the illegal evasion of taxation. The exchange of notes confirms that certain provisions of the Philippines tax system comply with the Convention.

I also transmit, for the information of the Senate, the report of the Department of State with respect to the Convention.

Conventions such as this one are an important element in promoting closer economic cooperation between the United States and other countries. I urge the Senate to act favorably on this Convention at an early date and give its advice and consent to ratification.

GERALD R. FORD

The White House,
January 19, 1977.

NOTE: The convention and accompanying papers are printed in Senate Executive C (95th Cong., 1st sess.).

1081

Message to the Congress Transmitting Annual Report of the Federal Ocean Program. *January 19, 1977*

To the Congress of the United States:

Pursuant to P.L. 89-454, I am herewith transmitting the 1975 annual report on the Federal Ocean Program. The report represents a summary of national efforts to comprehend, conserve and use the sea, and lists significant activities of the Federal Government related to the marine sciences in 1974 and early 1975.

During this period, the United States:

—intensified programs to appraise energy resources of the oceans and assess the environmental impact of their development;

- expanded geological and geophysical research programs which broaden our knowledge of the earth's evolutionary process and provide information of practical importance;
- continued development of the capability to mine deep seabed minerals without damage to the environment;
- enhanced opportunities for ocean-related recreational activities;
- strengthened our ability to forecast marine environmental conditions; and;
- began formal negotiations with other nations in the UN Law of the Sea Conference during a two-month session in Caracas, Venezuela.

The report which I am transmitting emphasizes these achievements and provides additional information on the Federal Ocean Program budget for fiscal years 1974–1976, as well as on the National Sea Grant Program and the status of the federally supported marine research fleet.

Subsequent to the period covered by this report, there have been several developments of importance to Federal Ocean Policy including:

- the completion of three additional substantive negotiating sessions of the UN Law of the Sea Conference;
- the enactment of the Fishery Conservation and Management Act in April 1976 which, effective March 1, 1977, will extend our fisheries jurisdiction to 200 miles;
- the leasing of Outer Continental Shelf areas for oil and gas exploitation; and
- a budgetary increase for the Federal Ocean Program from \$872.5 million in FY 1976 to \$956.6 million in FY 1977.

As indicated in the report, the Federal Ocean Program was designed to advance and facilitate this nation's expanding uses of the sea and its resources. As a major oceans user the United States will continue to pursue forward-looking programs, aware of the need to safeguard the quality of the marine environment and conscious of the need to cooperate with other nations on programs and policies that will advance our interests and those of the world community.

GERALD R. FORD

The White House,
January 19, 1977.

NOTE: The report is entitled "The Federal Ocean Program, Science and Technology Policy Office of the National Science Foundation—April 1975" (Government Printing Office, 107 pp.).

1082

**Letter to the Speaker of the House and the
President of the Senate Transmitting Proposed Predator
Control Reorganization Legislation. January 19, 1977**

EACH YEAR animal predators destroy large numbers of livestock in many areas of the Nation. Sheep are especially vulnerable to kills by coyotes.

Since 1931 the Federal government has assumed a degree of responsibility of controlling animal predation—on both public and private lands. This function was originally established in the Department of Agriculture, then transferred to the Department of Interior in 1941.

I believe that it is now appropriate to return this function—except for migratory bird control—to the Department of Agriculture. Accordingly, I am here-with transmitting the necessary reorganization bill.

This legislation would reestablish most of the animal damage control activities of the Federal government in the department generally responsible for protecting the Nation's crops and livestock from various forms of damage—the Department of Agriculture. That Department already conducts predator research. It is close to the Nation's farmers and ranchers. At the same time, the Fish and Wildlife Service of the Department of the Interior will be relieved of a function at times inconsistent with its broader objective of protecting and enhancing the wildlife resources of the Nation.

I am committed to solving the predator problem by environmentally acceptable means. Increased research will be devoted by the Department of Agriculture to selective and humane ways of dealing with predators. Control activities will continue to be regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, as administered by the Environmental Protection Agency.

No additional budget outlays would be required as a result of this proposed legislation.

An identical letter has been transmitted to the President of the Senate.

Sincerely,

GERALD R. FORD

NOTE: The letters were addressed to the Honorable Thomas P. O'Neill, Jr., Speaker of the House of

Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

1083

**Letter to Congressional Leaders Transmitting Studies on
Emergency Contingency Plans in Case of Interrupted
Petroleum Imports. *January 19, 1977***

SECTION 201 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261, contemplates development of emergency contingency plans that could be implemented if a major interruption of petroleum imports should occur. Under this section, plans for mandatory conservation measures and gasoline rationing are to be prepared and transmitted to Congress.

Since early last year, extensive studies have been undertaken by the Federal Energy Administration to develop plans that are fair, effective and efficient. As might be expected, each approach raised numerous questions.

On balance, however, I believe the following three approaches to contingency conservation plans, including emergency restrictions on heating, cooling and hot water, emergency commuter parking management and carpooling incentives, emergency boiler combustion efficiency, and the rationing proposal, all of which are enclosed, represent substantial and noteworthy efforts. Accordingly, I wanted the Congress to have the benefit of this important work.

At the same time, I recognize that modified or substantially different proposals may more effectively meet the criteria of fairness, effectiveness and efficiency. For example, reliance on taxes or fees with appropriate adjustments to minimize the impact on low-income individuals could be a worthwhile approach.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Thomas P. O'Neill, Jr., Speaker of the House, the Honorable Robert C. Byrd, Majority Leader of the Senate, the Honorable John

J. Rhodes, Minority Leader of the House, and the Honorable Howard H. Baker, Jr., Minority Leader of the Senate.

1084

**Letter to the Speaker of the House and the President of the
Senate Retransmitting Proposed Bicentennial Land
Heritage Legislation. *January 20, 1977***

[Dated January 19, 1977. Released January 20, 1977]

I AM transmitting herewith draft legislation, "To authorize appropriations for the acquisition, improvement, rehabilitation, and maintenance of the National

Park System and National Wildlife Refuges, and to increase grants to communities to improve park and recreation facilities." Appropriations for the implementation of the Act are requested in a 1977 supplemental appropriations request which has been transmitted with the 1978 Budget.

This proposal, "The Bicentennial Land Heritage Act" is similar to draft legislation which I transmitted to the 94th Congress on August 31, 1976. Because the 94th Congress adjourned *sine die* without acting on this matter, I am retransmitting the draft legislation which accompanied my August 31 message.

The Bicentennial Land Heritage Program would establish a ten year national commitment to double America's heritage of national parks, recreation areas, wildlife refuges, urban parks and historic sites. It would authorize the appropriation of \$1.5 billion for the acquisition, improvement, rehabilitation, and maintenance of the National Park System and National Wildlife Refuges, and would increase grants to communities to improve park and recreation facilities.

Enactment of my proposal would establish a \$1.5 billion program to:

- provide \$141 million to be used to acquire lands for parks, wildlife refuges, recreation areas, and historic sites;
- provide \$959 million to upgrade and develop new and existing parks and refuges into recreation and conservation resources ready to serve the public;
- provide \$200 million for increased staffing for the national parks and wildlife refuges; and,
- provide \$200 million for grants to cities to upgrade present park areas in disrepair.

This program will significantly influence the future of the 31 million-acre National Park System. The System, with its 291 areas, contains outstanding natural features and historic sites. This program will provide for developing and maintaining these areas to the highest standards; standards befitting the nationally significant resources to be found in these areas. The program will assure sufficient management and protection of the resources in our park areas, and will also finance the facilities and personnel needed to make these resources available to the visiting public. The addition of lands to the System, coupled with effective resource management, will increase opportunities for outdoor recreation, as well as insure the protection and perpetuation of park resources for future generations. Their inclusion would also help to alleviate overcrowding problems at some areas currently in the System which have experienced sharply accelerated visitation during recent years.

The Bicentennial Land Heritage Program will also be important to the National Wildlife Refuge System. The 385 National Wildlife Refuges which en-

compass 34 million acres provide habitat for a wide variety of the Nation's fish and wildlife. Funds authorized by the Bicentennial Land Heritage Act will be used to increase the size of the staff which manages refuges, and to repair, rehabilitate, construct, and maintain facilities. In addition, funds will be available for the acquisition of new refuges.

To assist in needed maintenance and improvement of urban parks and recreation facilities the Program would also authorize \$200 million of additional funds for the Community Development Block Grant Program, pursuant to the Housing and Community Development Act of 1974. It will be strongly urged that these additional funds be used for recreation programs.

In my August 31 message originally transmitting this bill, I urged the Congress to join with me in reaffirming our Nation's commitment to preserve the best of our vast and beautiful country and the wildlife inhabiting it. I now repeat my request. This program represents a sound investment in America which will pay off handsomely by permanently insuring and enriching the natural treasures to be inherited by future generations. All Americans must stand committed to conserve and cherish our incomparable natural heritage—our wildlife, our air, our water resources and our land itself. As our Nation begins its third century, we must renew our commitment to save this great natural heritage for the enjoyment of future generations of Americans.

Accordingly, I strongly urge the Congress to enact the proposed "Bicentennial Land Heritage Act" which establishes a program designed to ensure the fulfillment of this national commitment.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Thomas P. O'Neill, Jr., Speaker of

the House of Representatives, and the Honorable Nelson A. Rockefeller, President of the Senate.

1085

Message to the Congress Transmitting Annual Report of the United States Arms Control and Disarmament Agency.

January 20, 1977

[Dated January 19, 1977. Released January 20, 1977]

ARMS CONTROL as a means of maintaining peace and security has been a principal objective of my Administration. In this nuclear era our arms control policy and defense efforts must be complementary. We must seek to influence

policies of possible adversaries by maintaining strong military forces and by pursuing negotiations to enhance stability, not by encouraging an arms race which would increase the risk of nuclear war.

SALT is a proven means of furthering the essential dialogue between the United States and the Soviet Union on arms control. Our goal is to promote stability by mutual restraint in strategic nuclear competition, to limit growth of the nuclear forces of both sides, and to reduce them through verifiable agreements. This effort, I am confident, will succeed.

As a part of our efforts to restrain strategic nuclear competition with the Soviet Union, we have also negotiated two treaties which limit the yield of nuclear explosive tests: the Threshold Test Ban Treaty and the related Nuclear Explosions for Peaceful Purposes Treaty. Both of these treaties represent genuine progress. They contain precedent-setting provisions which will enhance the prospects for further progress in this area. These treaties have been submitted to the Senate, and I urge that it provide its advice and consent to ratification.

Complementing the resolution of nuclear rivalry with the Soviet Union is another imperative in our dialogue for survival: Preventing the further spread of nuclear weapons. If nuclear arsenals proliferate in the world, the likelihood of a nuclear conflict is vastly increased. The worldwide need for peaceful nuclear energy complicates this problem, since the same technology that produces such energy can be diverted to the development and production of nuclear weapons.

To emphasize more strongly our commitment to the objective of the nuclear Non-Proliferation Treaty, I announced a new, comprehensive United States nuclear energy policy last October which harmonizes our non-proliferation objectives with our domestic energy policy. We have tightened controls on American exports of sensitive nuclear materials and technology. Our sustained diplomatic initiatives with other suppliers of nuclear technology have also resulted in improved international comprehension of the risks of proliferation, as well as cooperation to prevent it.

Non-proliferation is only one example of our pursuit of arms control through multilateral forums and arrangements. With our Western allies we are engaged in negotiations to reduce military forces in Central Europe. Our goal is to obtain a more stable military balance in Central Europe at lower levels of force. We also participate in the activities of the Conference of the Committee on Disarmament (CCD) which recently approved a convention outlawing the use of environmental modification techniques for hostile purposes. This Convention will soon be open to all nations for ratification. The CCD is also continuing its

work on a convention to limit chemical weapons, and will soon be considering a U.S. initiative to ban radiological warfare.

This 16th annual report on the U.S. Arms Control and Disarmament Agency completes the record of activities and developments in the arms control field for calendar year 1976. But it is more than a backward look at the record. It also reflects the need for forward planning. In an age of rapidly advancing technologies, arms control must look at the future as well as the present. Arms control must be pursued vigorously and imaginatively, based upon balanced agreements and buttressed by mechanisms to preserve confidence in the viability of those agreements.

It is particularly important to realize that arms control is a complex matter and success can be attained only through diligent and sustained attention. Problems will persist, but we must remain dedicated to continued and determined efforts for the control and balanced reduction of armaments.

Sincerely,

GERALD R. FORD

NOTE: The 39-page report is entitled "16th Annual Report to the Congress, 1976, U.S. Arms Control and Disarmament Agency."

1086

Letter to the Speaker of the House and the President of the Senate Withdrawing the Designation of the People's Republic of the Congo as a Beneficiary Developing Country for the Generalized System of Preferences. *January 20, 1977*

IN ACCORDANCE with the requirements of section 502(a)(2) of the Trade Act of 1974, I herewith notify the House of Representatives/Senate of my intention to withdraw the designation of the People's Republic of the Congo as a beneficiary developing country for purposes of the Generalized System of Preferences.

The considerations that entered into my decision were based upon the provisions of sections 504(b) and 502(b)(4) of the Trade Act. Section 504(b) of that Act states:

"The President shall, after complying with the requirements of section 502 (a)(2), withdraw or suspend the designation of any country as a beneficiary

developing country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b) . . . ”.

Section 502(b)(4) of the Trade Act prohibits the designation of any country as a beneficiary developing country for purposes of the Generalized System of Preferences if such country—

“has nationalized, expropriated, or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50% or more beneficially owned by United States citizens. . . .

unless—

the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association,

or

(iii) a dispute involving such citizen, corporation, partnership, or association over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, . . . ”.

During 1974, the Government of the People's Republic of the Congo nationalized foreign-owned oil companies in that country, including companies that were 50% or more beneficially owned by United States citizens. Following several attempts to commence negotiations with a view to reaching a satisfactory settlement of the claims arising from such nationalizations, it is my judgment that the People's Republic of the Congo currently is not meeting the requirements set forth in section 502(b)(4) of the Trade Act. Accordingly, as a result of changed circumstances, that country would be barred from designation at this time as a beneficiary developing country for purposes of the Generalized System of Preferences.

A communication is being prepared for delivery to the Government of the People's Republic of the Congo on or about the same date as that of the delivery of this letter, notifying that Government of my intention to terminate the

country's beneficiary status, together with the considerations entering into my decision, as required by section 502(a)(2) of the Trade Act.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the House of Representatives, and the Honorable to the Honorable Thomas P. O'Neill, Jr., Speaker of Nelson A. Rockefeller, President of the Senate.

Appendix A—Additional White House Releases

NOTE: This appendix lists those releases which are neither printed as items in this volume nor listed in subsequent appendixes. If the text of a release was printed in the Weekly Compilation of Presidential Documents, the page number is indicated below. Page references are to Volume 12 of the Compilation unless otherwise indicated.

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6 Letter: to the Chairman of the Civil Service Commission designating Presidential appointees to participate in training programs.	27	16 Nomination: James Gordon Knapp to be Assistant Secretary of the Air Force for Installations and Logistics.	40
6 Nomination: Robert Anderson to be United States Ambassador to Morocco. .	28	17 News briefing: on his meeting with the President to discuss the State of the Union Address and the budget—by Gov. Robert D. Ray of Iowa. ....	...
6 Appointment: Myron B. Kuropas as Special Assistant to the President for Ethnic Affairs.	28	19 Advance text: address before a joint session of the Congress reporting on the State of the Union. ....	...
7 Appointment: seven members of the Advisory Committee for Trade Negotiations.	29	19 Fact sheet: State of the Union Address. ....	...
8 Appointment: Edward McBroom and John Cyril Malloy as members of the National Highway Safety Advisory Committee.	30	19 News briefing: on the State of the Union Address—by James T. Lynn, Director, and Paul H. O'Neill, Deputy Director, Office of Management and Budget; Alan Greenspan, Chairman, Council of Economic Advisers; L. William Seidman, Assistant to the President for Economic Affairs; and James M. Cannon, Assistant to the President for Domestic Affairs. ....	...
13 Appointment: Rogers C. B. Morton as Counsellor to the President.	33	20 News briefing: on the President's meeting with a group of Governors and mayors to discuss the State of the Union Address and the budget—by Governors Otis Bowen of Indiana and David Pryor of Arkansas and Mayors Hans Tanzler of Jacksonville, Fla., and Tom Moody of Columbus, Ohio. ....	...
13 News briefing: on his appointment as Counsellor to the President—by Rogers C. B. Morton. ....	...	20 Nomination: Albert B. Fay to be United States Ambassador to Trinidad and Tobago.	54
13 Nomination: S. John Byington to be a Commissioner of the Consumer Product Safety Commission.	34	22 Nomination: W. J. Usery, Jr., to be Secretary of Labor.	73
14 Nomination: Anne L. Armstrong to be United States Ambassador to the United Kingdom of Great Britain and Northern Ireland.	37	23 Nomination: Robert E. Lee to be a member of the Foreign Claims Settlement Commission.	74
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26 News briefing: on the President's meeting with representatives of the National Association of Counties—by Vance Webb, president, Louis Mills, vice president, and Bernard F. Hillenbrand, executive director, National Association of Counties.....	...	31 Advance text: address before a joint session of the Virginia General Assembly in Williamsburg.....	...
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27 Nomination: John Breen Benton to be Executive Director of the National Commission on Electronic Fund Transfers..	86	3 Nomination: J. Owen Zurhellen, Jr., to be United States Ambassador to Surinam.....	122
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4 News briefing: on the President's tax message—by William E. Simon, Secretary of the Treasury, and L. William Seidman, Assistant to the President for Economic Affairs.....	...	18 News briefing: on the President's task forces to improve Federal regulation—by Paul MacAvoy, Chairman, President's Task Force on Regulatory Reform; Philip Harter and Joseph Kirk, Cochairmen, Occupational Safety and Health Administration Task Force; Donald Flexner, Chairman, Federal Energy Administration Task Force; Robert Wright, Chairman, Higher Education Task Force; and Maj. James Golden, Chairman, Export Administration Task Force.....	...
4 Fact sheet: the President's tax message.	19 Appointment: seven members of the President Ford transition office.....	72
6 Nomination: Patrick J. Delaney to be a member of the Securities and Exchange Commission	6	19 Fact sheet: transfer of additional lands for park and recreational use under the Legacy of Parks program.....	...
11 News briefing: on the President's proposal to establish a new Department of Energy—by Elliot L. Richardson, Secretary of Commerce; James T. Lynn, Director, Office of Management and Budget; and Frank G. Zarb, Administrator, Federal Energy Administration..	...		
13 Fact sheet: proposed Aviation Act of 1977		
14 News briefing: on proposed statehood for Puerto Rico legislation—by James M. Cannon, Assistant to the President for Domestic Affairs.....	...		

Appendix B—Presidential Documents Published in the Federal Register

NOTE: The texts of these documents are also printed in title 3 of the Code of Federal Regulations, except as noted below. Texts of the proclamations and Executive orders are printed in the Weekly Compilation of Presidential Documents for the period covered by this volume.

PROCLAMATIONS

<i>Proc. No.</i>	<i>Date 1976</i>	<i>Subject</i>	<i>41 F.R. page</i>
4412	Jan. 3	Imports of petroleum and petroleum products.....	1037
4413	Jan. 21	National Day of Prayer for Americans Missing in Action in Southeast Asia.....	3455
4414	Jan. 22	American Heart Month, 1976.....	3457
4415	Feb. 17	Designation of Clark and Mark Twain National Forests in Missouri as Mark Twain National Forest.....	7481
4416	Feb. 18	National Poison Prevention Week, 1976.....	7739
4417	Feb. 19	Confirmation of termination of Executive order authorizing internment of Japanese- Americans during World War II.....	7741
4418	Feb. 25	Red Cross Month, 1976.....	8331
4419	Feb. 25	Save Your Vision Week, 1976.....	8333
4420	Mar. 1	Law Day, U.S.A., 1976.....	9083
4421	Mar. 8	National Farm Safety Week, 1976.....	10209
4422	Mar. 16	National Day of Prayer, 1976.....	11267
4423	Mar. 26	Imports of dry milk mixtures.....	12875
4424	Mar. 29	Cancer Control Month, 1976.....	13577
4425	Apr. 2	National Rural Health Week, 1976.....	14363
4426	Apr. 5	Older Americans Month, 1976.....	14723
4427	Apr. 8	World Trade Week, 1976.....	14997
4428	Apr. 9	Pan American Day and Pan American Week, 1976.....	15395
4429	Apr. 13	Small Business Week, 1976.....	15679
4430	Apr. 13	Thomas Jefferson Day, 1976.....	15819
4431	Apr. 14	Loyalty Day, 1976.....	15821
4432	Apr. 14	National Maritime Day, 1976.....	15823
4433	Apr. 15	National Defense Transportation Day and National Transportation Week, 1976..	16133
4434	Apr. 20	National Safe Boating Week, 1976.....	16789
4435	Apr. 20	Earth Week, 1976.....	16791
4436	Apr. 30	Imports of ceramic tableware.....	18397
4437	May 5	Mother's Day, 1976.....	18643

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4438	May 7	National Historic Preservation Week, 1976.....	19193
4439	May 13	National Tennis Week, 1976.....	19927
4440	May 19	Prayer for Peace, Memorial Day, May 31, 1976.....	20643
4441	May 27	Father's Day, 1976.....	21753
4442	May 27	Flag Day and National Flag Week, 1976.....	21755
4443	May 27	Imports of brooms.....	21757
4444	June 1	National Good Neighbor Day, 1976.....	22237
4445	June 11	Imports of stainless and alloy tool steel.....	24101, 29089
4446	June 29	Bicentennial Independence Day ¹	27023
4447	June 30	National Bicentennial Highway Safety Year, 1976.....	27309
4448	July 2	Captive Nations Week, 1976.....	27707
4449	July 19	Space Exploration Day, 1976.....	29803
4450	July 26	Leif Erikson Day, 1976.....	31373
4451	Aug. 25	Women's Equality Day, 1976.....	36639
4452	Sept. 1	White Cane Safety Day, 1976.....	37089
4453	Sept. 3	Fire Prevention Week, 1976.....	37759
4454	Sept. 7	United Nations Day, 1976.....	38147
4455	Sept. 7	Columbus Day, 1976.....	38149
4456	Sept. 8	National Forest Products Week, 1976.....	38151
4457	Sept. 8	General Pulaski's Memorial Day, 1976.....	38485
4458	Sept. 9	Veterans Day, 1976.....	38999
4459	Sept. 10	National Hispanic Heritage Week, 1976.....	39001
4460	Sept. 13	Citizenship Day and Constitution Week, 1976.....	39301
4461	Sept. 20	National School Lunch Week, 1976.....	41405
4462	Sept. 21	National Employ the Handicapped Week, 1976.....	41679
4463	Sept. 21	Imports of sugars, sirups, and molasses.....	41681
4464	Sept. 22	Child Health Day, 1976.....	41683
4465	Sept. 29	Country Music Month, 1976.....	43381
4466	Oct. 4	Imports of sugars, sirups, and molasses.....	44031
4467	Oct. 7	National Volunteer Firemen Week.....	44851
4468	Oct. 8	Native American Awareness Week, 1976.....	44853
4469	Oct. 9	Imports of meats.....	44995
4470	Oct. 18	Drug Abuse Prevention Week, 1976.....	46827

¹ Proclamation 4446 is printed in full on p. 1928 of this volume as an example of the proclamations issued by President Ford in 1976.

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4472	Oct. 25	National Farm-City Week, 1976.....	47205
4473	Oct. 25	National Family Week, 1976.....	47207
4474	Oct. 25	Thanksgiving Day, 1976.....	47209
4475	Oct. 25	Wright Brothers Day, 1976.....	47211
4476	Nov. 4	Emergency Medical Services Week, 1976.....	49083
4477	Nov. 16	Imports of alloy tool steel.....	50969
4478	Nov. 26	Imports of brandy.....	52287
4479	Dec. 1	Bill of Rights Day, Human Rights Day and Week, 1976.....	52977
4480	Dec. 8	Imports of brandy.....	53967

EXECUTIVE ORDERS

<i>E.O. No.</i>	<i>Date 1976</i>	<i>Subject</i>	<i>41 F.R. page</i>
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11895	Jan. 6	Delegation of Presidential authority to Attorney General and Civil Service Commission to designate Presidential appointees for training.....	1465
11896	Jan. 13	Establishment of United States Sinai Support Mission.....	2067
11897	Jan. 13	Special pay for enlisted members of uniformed services who are assigned to ships undergoing repair in designated foreign duty areas.....	2071
11898	Jan. 14	Federal executive salary schedule.....	2365
11899	Jan. 22	Protection of employment rights of Federal employees who leave to be employed by tribal organizations.....	3459
11900	Jan. 22	Inspection of tax returns by House Committee on Government Operations.....	3461
11901	Jan. 30	Labor-management relations in the Federal service.....	4807
11902	Feb. 2	Export of nuclear materials and equipment.....	4877
11903	Feb. 2	Membership of President's Economic Policy Board.....	4879
11904	Feb. 6	Establishment of Defense Superior Service Medal.....	5625
11905	Feb. 18	Reorganization of United States foreign intelligence activities.....	7703
11906	Feb. 26	Designation of developing countries and eligible articles for trade preferences....	8758
11907	Mar. 1	Membership increase of Export Administration Review Board and reservation of certain Presidential authority.....	9085
11908	Mar. 18	Federal executive salary schedule.....	11805
11909	Mar. 31	Exemption of Walter C. Sauer from mandatory retirement.....	14161
11910	Apr. 13	Delegation of Presidential authority to Secretary of Housing and Urban Development to provide legal services for disaster victims.....	15681
11911	Apr. 13	Preservation of endangered species of fauna and flora.....	15683
11912	Apr. 13	Delegation of Presidential authority relating to energy policy and conservation. .	15825

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11914	Apr. 28	Nondiscrimination with respect to handicapped in federally assisted programs....	17871
11915	May 10	Abolishment of Energy Research and Development Advisory Council.....	19195
11916	May 28	Amendment of regulations governing use of Presidential and Vice Presidential seals	22031
11917	May 28	Use of sodium cyanide on certain Federal lands for animal damage control.....	22239
11918	June 1	Compensation for damages involving nuclear reactors of United States warships....	22329
11919	June 9	Delegation of Presidential authority to Attorney General to concur in designations of Commissioners from United States Parole Commission to serve on National Appeals Board	23663
11920	June 10	Establishment of procedures for Presidential review of Civil Aeronautics Board decisions	23665
11921	June 11	Adjustment of emergency preparedness functions to reflect organizational and functional changes in Federal Government.....	24294
11922	June 16	Allocation of funds under United States Emergency Refugee and Migration Assist- ance Fund.....	24573
11923	June 17	Display of flag at halfstaff on death of Francis E. Meloy, Jr., and Robert O. Waring, United States officials in Lebanon.....	24689
11924	June 29	Exemption of Arthur S. Flemming from mandatory retirement.....	26847
11925	June 29	Suspension of promotion restriction on Navy and Marine Corps officers.....	26849
11926	July 19	Establishment of Vice Presidential Service Badge.....	29805
11927	July 22	Federal executive salary schedule.....	30583
11928	July 26	Exemption of Harold Council from mandatory retirement.....	31157
11929	July 26	Incentive pay for enlisted members of uniformed services who are removed invol- untarily from aerial flight duties.....	31159
11930	July 30	Establishment of Federal Energy Office.....	32399
11931	Aug. 3	Extension of diplomatic privileges and immunities to Permanent Observers to the Organization of American States.....	32689
11932	Aug. 4	Classification of information obtained from advisory bodies created to implement international energy program.....	32691
11933	Aug. 25	Termination of Federal Energy Office.....	36641
11934	Aug. 30	Designation of developing countries and eligible articles for trade preferences....	37084
11935	Sept. 2	Citizenship requirements for Federal employment.....	37301
11936	Sept. 8	Extension of date for submission of final report from President's Commission on Olympic Sports.....	38153
11937	Sept. 10	Membership increase of Quetico-Superior Committee.....	38755
11938	Sept. 29	Cost of living allowances and post differentials for Federal employees.....	43383
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11940	Sept. 30	Continuation of export controls.....	43707

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11943	Oct. 25	Amendment of Schedule 3 of Federal pay increases.....	47213
11944	Oct. 25	Delegation of authority to Secretary of the Treasury to administer social security fund in Northern Mariana Islands.....	47215
11945	Oct. 25	Development and coordination of national physical fitness and sports program by Secretary of Health, Education, and Welfare.....	47217
11946	Oct. 25	White House fellowships.....	47219
11947	Nov. 8	Reports and investigations relating to administration of trade agreements program.....	49799
11948	Dec. 20	Continuation of certain Federal advisory committees.....	55705
11949	Dec. 31	Economic impact statements.....	1017

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Jan. 23	Special message to Congress: Budget rescissions and deferrals ²	4156
Feb. 3	Presidential Determination: Sale of rice to Portugal.....	21167
Feb. 6	Special message to Congress: Budget rescissions and deferrals ²	6208
Feb. 17	Presidential Determination: Sale of wheat to Morocco.....	21168
Mar. 2	Presidential Determination: Sale of wheat to Egypt.....	21169
Mar. 16	Memorandum: Import relief for stainless and alloy tool steel industry.....	11269
Mar. 18	Special message to Congress: Budget rescissions and deferrals ²	12180
Mar. 25	Presidential Determination: Military assistance for Egypt.....	14163
Apr. 13	Special message to Congress: Budget rescissions and deferrals ²	16434
Apr. 14	Presidential Determination: Military assistance for Surinam.....	18281
Apr. 16	Memorandum: Adjustment assistance for footwear industry.....	16545
Apr. 26	Special message to Congress: Budget rescissions and deferrals ²	18044
Apr. 27	Presidential Determination: Sale of agricultural commodities to Portugal.....	21170
Apr. 30	Memorandum: Import relief for earthenware industry.....	18401
Apr. 30	Memorandum: Adjustment assistance for stainless steel flatware industry.....	18403
May 10	Presidential Determination: Sale of agricultural commodities to Bangladesh.....	21171
May 10	Presidential Determination: Sale of agricultural commodities to Syria.....	21172

² Printed in full only in the Federal Register. Texts of the messages to the Congress transmitting budget rescissions and deferrals are printed as items in this volume.

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May 28	Presidential Determination: Sale of wheat to Egypt.....	30005
May 31	Memorandum: Denial of import relief for iron blue pigment industry.....	22331
June 2	Presidential Determination: U.S.-Romanian trade agreement.....	23179
June 9	Presidential Determination: Waiver of limitations on military assistance for African countries	25879
June 30	Presidential Determination: Military assistance for Spain.....	31161
July 1	Letters: Adjustment assistance for shrimp industry.....	27709, 27711
July 6	Special message to Congress: Budget rescissions and deferrals ²	28150
July 19	Presidential Determination: Sale of agricultural commodities to Portugal.....	32403
July 28	Special message to Congress: Budget rescissions and deferrals ²	32376
July 29	Special message to Congress: Budget rescissions and deferrals ²	32570
July 30	Directive: Classification of national security information.....	32693
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Aug. 27	Presidential Determination: Military assistance for Turkey.....	37561
Aug. 28	Memorandum: Denial of import relief for honey industry.....	36787
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Sept. 21	Presidential Determination: Sale of wheat to Egypt.....	47221
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Sept. 27	Memorandum: Consumer Representation Plans.....	42763
Sept. 30	Presidential Determination: Security supporting assistance for Spain.....	46579
Oct. 1	Special message to Congress: Budget rescissions and deferrals ²	44298
Oct. 7	Memorandum: Availability of boycott-related reports.....	44862
Oct. 7	Directive: Classification of national security information.....	45535
Oct. 18	Presidential Determination: Sale of agricultural commodities to Portugal.....	47223
Oct. 18	Presidential Determination: Sale of tobacco and wheat to Egypt.....	47225
Oct. 22	Memorandum: Classification of national security information.....	47019
Nov. 5	Special message to Congress: Budget rescissions and deferrals ²	49784
Nov. 5	Presidential Determination: Military assistance for the Sudan.....	50625

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<i>Date</i> 1976	<i>Subject</i>	<i>41 F.R.</i> <i>page</i>
Nov. 5	Presidential Determination: Sale of Chaparral air defense missile system to Tunisia	50627
Nov. 19	Presidential Determination: Sale of F/RF-4E aircraft to Turkey	53315
Dec. 3	Special message to Congress: Budget rescissions and deferrals ²	53744

Appendix C—Presidential Reports to the 94th Congress, 2d Session

NOTE: The following is a listing of those Presidential reports required by statute to be transmitted to the Congress at fixed intervals.

<i>Subject</i>	<i>Published</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
Foreign Assistance Act of 1974.....	H. Doc. 337..	Jan. 20...	Jan. 20
Economic Report.....	H. Doc. 334..	Jan. 26...	Jan. 26
Food for Peace Program under P.L. 480, 83d Congress (1974)...	H. Doc. 352..	Jan. 28...	Jan. 28
Department of Housing and Urban Development (10th annual) ..	H. Doc. 346..	Feb. 2...	.....
Corporation for Public Broadcasting (fiscal year 1975).....	.....	Feb. 4...	.....
Progress in Cyprus Negotiations of Conflict:			
2d report.....	H. Doc. 361..	Feb. 5...	Feb. 5
3d report.....	H. Doc. 446..	Apr. 9...	Apr. 9
4th report.....	H. Doc. 517..	June 7...	June 7
5th report.....	H. Doc. 578..	Aug. 6...	Aug. 6
6th report—half of this report transmitted in '76, half in '77...	H. Doc. 95-2.	Oct. 5(H) Jan. 6(S)	Oct. 5
Little Beaver Creek.....	H. Doc. 364..	Feb. 10...	Feb. 10
National Housing Goal (8th annual).....	H. Doc. 368..	Feb. 16...	.....
Office of Alien Property (fiscal year 1974).....	.....	Feb. 17...	.....
Alaska Railroad, Operation of (1975).....	.....	Feb. 17...	.....
National Voluntary Service Advisory Council (final).....	.....	Feb. 18...	.....
National Science Board:			
7th annual.....	H. Doc. 377..	Feb. 23...	Feb. 23
8th annual.....	H. Doc. 653..	Oct. 1...	.....
Council on Environmental Quality:			
6th annual.....	.....	Feb. 27(H) Mar. 1(S)	Feb. 27
7th annual.....	.....	Oct. 1...	Oct. 1
National Growth and Development, 1976.....	.....	Feb. 28(H) Mar. 2(S)	.....
National Mobile Home Construction and Safety Standards Act of 1974 (1st annual).....	.....	Mar. 4...	.....
Council on Wage and Price Stability:			
5th quarter.....	.....	Mar. 16...	Mar. 16
6th quarter.....	.....	May 13...	May 13
7th quarter.....	.....	Sept. 8...	Sept. 8
International Economic Report (4th annual).....	.....	Mar. 17...	Mar. 17
War Risk Insurance Program.....	Mar. 19(H) Mar. 22(S)	Mar. 19
National Science Foundation (25th annual).....	H. Doc. 415..	Mar. 22...	Mar. 22

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<i>Subject</i>	<i>Published</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
Indochina Migration and Refugee Assistance Act of 1975: ¹			
3d supplementary report.....		Mar. 22...	.....
4th supplementary report.....		June 22...	.....
5th supplementary report.....		Sept. 21...	.....
Administration on Aging.....		Mar. 23...	Mar. 23
Federal Advisory Committees (4th annual).....		Mar. 30...	Mar. 30
National Cancer Program (3d annual).....		Apr. 5...	Apr. 5
Peace Corps (fiscal year 1975).....		Apr. 12...	.....
Availability of Government Services to Rural Areas (6th annual) ..	H. Doc. 459..	Apr. 26...	.....
Department of Housing and Urban Development (11th annual) ..		Apr. 26...	.....
Upland Cotton (4th annual).....		Apr. 26...	.....
Trade Agreements Program (20th annual).....	H. Doc. 469..	Apr. 26...	.....
National Credit Union Administration (6th annual).....		Apr. 27...	.....
Nuclear Regulatory Commission (1st annual).....		Apr. 27...	.....
U.S. Sinai Support Mission (1st semi-annual).....		Apr. 30...	Apr. 30
U.S.-Japan Cooperative Medical Science Program under the Inter- national Health Research Act of 1960 (9th annual).....	H. Doc. 485..	May 4...	.....
Sickle Cell Anemia Control Act (3d annual).....		May 5...	May 5
Council on Wage and Price Stability (6th quarterly).....		May 13...	May 13
National Heart and Lung Advisory Council (3d annual).....		May 17...	May 17
Surgeon General (20th annual).....		May 17...	.....
Special International Exhibitions (12th annual).....		May 17...	May 17
National Corporation for Housing Partnerships (7th annual).....		May 18...	.....
National Heart and Lung Advisory Council (3d annual).....		May 19...	.....
Railroad Retirement Board (annual).....		May 27...	May 27
Coastal Zone Management (3d annual).....		May 27...	May 27
Employment and Training Report of the President (formerly called Manpower Report of the President)—14th annual.....		June 3...	June 3
Administration of Radiation Control for Health and Safety Act of 1968 (8th annual).....		June 9...	June 9
Federal Railroad Safety Act of 1970 (5th annual).....		June 9...	.....
Six River Basin Commissions (fiscal year 1975).....	H. Doc. 528..	June 15...	June 15
New England River Basin Commission			
Great Lakes River Basin Commission			
Pacific Northwest River Basin Commission			
Ohio River Basin Commission			
Missouri River Basin Commission			
Upper Mississippi River Basin Commission			

¹ Transmitted to the House Committees on the Judiciary, Appropriations, and International Relations and the Senate Committees on Foreign Relations, Appropriations, and the Judiciary.

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<i>Subject</i>	<i>Published</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
National Advisory Council on Adult Education (fiscal year 1976)		June 17 . . .	June 17 . . .
ACTION Agency (fiscal year 1975)		June 17 . . .	June 17 . . .
Highway Safety and National Traffic and Motor Vehicle Safety Acts of 1966 (1975)		June 25 . . .	June 25
Aeronautics and Space Report (1975)	H. Doc. 541 . .	June 29 . . .	June 29
Natural Gas Pipeline Safety Act of 1968 (8th annual)		July 2 . . .	July 2 . . .
St. Lawrence Seaway Development Corporation (1975)		July 20 . . .	July 20 . . .
Hazardous Materials Control (6th annual)		July 20 . . .	July 20 . . .
National Endowment for the Humanities (10th annual)		July 20 . . .	July 20 . . .
U.S. Arms Control and Disarmament Agency (15th annual)		July 29 . . .	July 29
Federal Council on the Aging (2d annual)		Aug. 3 . . .	Aug. 3
Occupational Safety and Health Act of 1970 (1974)		Aug. 9 . . .	Aug. 9 . . .
National Council on the Arts and the National Endowment for the Arts (fiscal year 1975)		Aug. 31 . . .	Aug. 31
Federal Prevailing Rate Advisory Committee (3d annual)		Sept. 1 . . .	Sept. 1 . . .
Commodity Credit Corporation (fiscal year 1975)		Sept. 13 . . .	Sept. 13 . . .
Department of Transportation (fiscal year 1975)	H. Doc. 612 . .	Sept. 15 . . .	Sept. 15 . . .
National Cooley's Anemia Control Act (4th annual)		Sept. 28(H) Sept. 29(S)	Sept. 28
World Weather Program (8th annual)		Sept. 28(H) Sept. 29(S)	Sept. 28
United Nations (30th annual)	H. Doc. 652 . .	Oct. 1 . . .	Oct. 2
Commission on Security and Cooperation in Europe (1st semi- annual report)		Dec. 12 . . .	Dec. 12 . . .
Indochina Migration and Refugee Assistance Act of 1975 ¹ (6th supplementary report)		Jan. 10 . . .	Jan. 10 . . .
Oregon Dunes National Recreation Area—Wilderness Unsuitability		Jan. 10 . . .	Jan. 10
Progress in Cyprus Negotiations of Conflict (7th report)		Jan. 10 . . .	Jan. 10
U.S. Sinai Support Mission (2d semiannual)	H. Doc. 41 . . .	Jan. 11 . . .	Jan. 11
Council on Wage and Price Stability (8th quarterly)		Jan. 11 . . .	Jan. 11
Office of Alien Property (fiscal year 1975)		Jan. 11 . . .	Jan. 11 . . .
Federal Energy Reorganization		Jan. 11 . . .	Jan. 11
Cash Awards to Members of the Armed Forces and the Coast Guard:			
fiscal year 1975		Jan. 13(H) Jan. 14(S)	Jan. 13
fiscal year 1976		Jan. 13(H) Jan. 14(S)	Jan. 13

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<i>Subject</i>	<i>Published</i>	<i>Sent to the Congress</i>	<i>Date of White House release</i>
International Economic Report (5th annual).....	Jan. 18...
Economic Report.....	H. Doc. 40...	Jan. 18...	.....
Availability of Government Services to Rural Areas (7th annual) ..	H. Doc. 51...	Jan. 18...	.....
Federal Ocean Program (1975).....	H. Doc. 54...	Jan. 19...	.....
National Housing Goal (9th annual).....	H. Doc. 53...	Jan. 19...	.....
National Cancer Advisory Board (3d annual).....	.....	Jan. 20...	Jan. 20
U.S. Arms Control and Disarmament Agency (16th annual).....	.....	Jan. 20...	Jan. 20
Employment and Training Report of the President (formerly called Manpower Report of the President)—15th annual.....	.....	Jan. 20...	Jan. 20
Corporation for Public Broadcasting (fiscal year 1976).....	.....	Jan. 20...	.....

Appendix D—Rules Governing This Publication

NOTE: These rules are reprinted from the Federal Register of November 4, 1972 (37 FR 23607), and title 1 of the Code of Federal Regulations.

TITLE 1—GENERAL PROVISIONS

CHAPTER 1—ADMINISTRATIVE COMMITTEE OF THE FEDERAL REGISTER

SUBCHAPTER C—SPECIAL EDITIONS OF THE FEDERAL REGISTER

PART 10—PRESIDENTIAL PAPERS

AUTHORITY: 44 U.S.C. 1506; sec. 6, E.O. 10530, 19 FR 2709; 3 CFR 1954–1958 Comp. p. 189.

SUBPART A—ANNUAL VOLUMES

§ 10.1 *Publication required.*

The Director of the Federal Register shall publish, at the end of each calendar year, a special edition of the FEDERAL REGISTER called the “Public Papers of the Presidents of the United States.” Unless the amount of material requires otherwise, each volume shall cover one calendar year.

§ 10.2 *Coverage of prior years.*

After consulting with the National Historical Publications Commission on the need therefor, the Administrative Committee may authorize the publication of volumes of papers of the Presidents covering specified years before 1957.

§ 10.3 *Scope and sources.*

(a) The basic text of each volume shall consist of oral statements by the President or of writings subscribed by him, and selected from—

- (1) Communications to the Congress;
- (2) Public addresses;
- (3) Transcripts of news conferences;
- (4) Public letters;
- (5) Messages to heads of State;
- (6) Statements released on miscellaneous subjects;

and

(7) Formal executive documents promulgated in accordance with law.

(b) In general, ancillary text, notes, and tables shall be derived from official sources.

§ 10.4 *Format, indexes, and ancillaries.*

(a) Each annual volume, divided into books whenever appropriate, shall be separately published in the binding and style that the Administrative Committee considers suitable to the dignity of the Office of the President of the United States.

(b) Each volume shall be appropriately indexed and contain appropriate ancillary information respecting significant Presidential documents not printed in full text.

§ 10.5 *Distribution to Government agencies.*

(a) The Public Papers of the Presidents of the United States shall be distributed to the following, in the quantities indicated, without charge:

(1) *Members of Congress.* Each Senator and each Member of the House of Representatives is entitled to one copy of each annual volume published during his term of office, upon his written request to the Director of the Federal Register.

(2) *Supreme Court.* The Supreme Court is entitled to 12 copies of each annual volume.

(3) *Executive agencies.* The head of each executive agency is entitled to one copy of each annual volume upon application to the Director.

(b) Legislative, judicial, and executive agencies of the Federal Government may obtain copies of the annual volumes, at cost, for official use, by the timely submission of a printing and binding requisition to the Government Printing Office on Standard Form 1.

§ 10.6 *Extra copies.*

Each request for extra copies of the annual volumes must be addressed to the Superintendent of Documents, to be paid for by the agency or official making the request.

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